20250624092637

Årsredovisning

för

Näringsparadiset (Holding) Company AB

556729-0084

Räkenskapsåret

2024–01–01 – 2024–12–31

Fastställelseintyg

Undertecknad styrelseledamot i Näringsparadiset (Holding) Company AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 20 juni 2025. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm den 23 juni 2025

Nina Tour

20250624092268

Årsredovisning

för

Näringsparadiset (Holding) Company AB

556729-0084

Räkenskapsåret

2024

20250624092269

Styrelsen för Näringsparadiset (Holding) Company AB får härmed avge årsredovisning för räkenskapsåret 2024.

Årsredovisningen är upprättad i tusentals kronor, Tkr, där ej annat anges.

Förvaltningsberättelse

Verksamheten

Allmänt om verksamheten
Bolaget ska ha till föremål för sin verksamhet att äga och förvalta samt köpa och sälja aktier och fast egendom samt bedriva annan i samband därmed förenlig verksamhet. Bolaget innehar 100% av aktierna i Näringsparadiset II AB, org. nr 556655-2153.

Ägarförhållanden
Bolaget är sedan 11 juni 2007 ett helägt dotterbolag till M&G European Property Holding Company S.à.r.l, org. nr B0092191 med säte i Luxemburg.

Årsredovisning för koncernen i vilket bolaget ingår, M&G European Property Fund SICAV-FIS, finns att tillgå på registrerat kontor 16 boulevard Royal, L-2449 Luxemburg.

Företaget har sitt säte i Stockholm.

Väsentliga händelser under räkenskapsåret
Inga väsentliga händelser har inträffat under året som har haft en direkt påverkan på bolaget.

Flerårsöversikt (Tkr)	**2024**	**2023**	**2022**	**2021**
Nettoomsättning	0	0	0	0
Resultat efter fin. poster	15 971	14 593	77 708	4 165
Soliditet (%)	49,5	49,4	49,4	21,9

För definitioner av nyckeltal, se Not 1 Redovisningsprinciper.

20250624092270

Förändringar i eget kapital (Tkr)

	Aktie-	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	100	71 281	14 593	**85 973**
Disposition enligt beslut av årsstämman:		14 593	-14 593	**0**
Utdelning		-15 851		**-15 851**
Årets resultat			15 971	**15 971**
Belopp vid årets utgång	**100**	**70 022**	**15 971**	**86 093**

Resultatdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	70 022 131
årets vinst	15 971 281
	85 993 412
disponeras så att	
till aktieägare utdelas	9 300 000
i ny räkning överföres	76 693 412
	85 993 412

Styrelsen föreslås bemyndigas att besluta om tidpunkt då utdelningen skall betalas.

Styrelsen anser att förslaget är förenligt med försiktighetsregeln i 17 kap. 3 § aktiebolagslagen enligt följande redogörelse: Styrelsens uppfattning är att vinstutdelningen är försvarlig med hänsyn till de krav verksamhetens art, omfattning och risk ställer på storleken på det egna kapitalet, bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

20250624092711

Resultaträkning
Tkr

	Not	2024-01-01 -2024-12-31	2023-01-01 -2023-12-31
Rörelsekostnader			
Övriga externa kostnader		-216	-220
Personalkostnader	2	-53	-53
Summa rörelsekostnader		**-269**	**-273**
Rörelseresultat		**-269**	**-273**
Finansiella poster			
Resultat från andelar i koncernföretag	3	18 000	16 639
Övriga ränteintäkter och liknande resultatposter	4	15	3
Räntekostnader och liknande resultatposter	5	-1 775	-1 776
Summa finansiella poster		**16 240**	**14 866**
Resultat efter finansiella poster		**15 971**	**14 593**
Resultat före skatt		**15 971**	**14 593**
Årets resultat		**15 971**	**14 593**

20250624092772

Balansräkning

Tkr

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	6	173 790	173 790
Summa finansiella anläggningstillgångar		**173 790**	**173 790**
Summa anläggningstillgångar		**173 790**	**173 790**
Omsättningstillgångar			
Kortfristiga fordringar			
Övriga fordringar		9	8
Summa kortfristiga fordringar		**9**	**8**
Kassa och bank			
Kassa och bank		282	163
Summa kassa och bank		**282**	**163**
Summa omsättningstillgångar		**291**	**171**
SUMMA TILLGÅNGAR		**174 081**	**173 961**

20250624092273

Balansräkning

Tkr

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		100	100
Summa bundet eget kapital		**100**	**100**
Fritt eget kapital			
Balanserat resultat		70 022	71 280
Årets resultat		15 971	14 593
Summa fritt eget kapital		**85 993**	**85 873**
Summa eget kapital		**86 093**	**85 973**
Långfristiga skulder	7		
Skulder till koncernföretag		87 894	87 894
Summa långfristiga skulder		**87 894**	**87 894**
Kortfristiga skulder			
Upplupna kostnader och förutbetalda intäkter		94	94
Summa kortfristiga skulder		**94**	**94**
SUMMA EGET KAPITAL OCH SKULDER		**174 081**	**173 961**

20250624092274

Noter

Tkr

Not 1 Redovisningsprinciper

Allmänna upplysningar

Bolaget har sitt säte i Stockholm, och bolagets adress är Strandvägen 7A, 114 56 STOCKHOLM

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd (BFNAR 2016:10) om årsredovisning i mindre företag.

Företaget är ett moderföretag men med hänvisning till undantagsreglerna i Årsredovisningslagen 7 kap 2§ upprättas ingen koncernredovisning.

Närmast överordnade moderföretag som upprättar koncernredovisning i vilket företaget ingår är M&G European Property Fund SICAV-FIS med säte i Luxemburg.

Fordringar och skulder i utländsk valuta

Monetära fordringar och skulder i utländsk valuta har räknats om till balansdagens kurs.

Personal

Under innevarande räkenskapsår hade bolaget en anställd, samma som föregående räkenskapsår och hon har ett styrelseuppdrag. Det fanns inga andra anställda under året. Styrelsen bestod av tre ledamöter. Könsfördelning enligt följande: en kvinna och två män.

Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter fin. poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

20250624092755

Not 2 Anställda och personalkostnader (större företag)

	2024	2023
Medelantalet anställda		
Kvinnor	1	1
	1	**1**
Löner och andra ersättningar		
Styrelse och verkställande direktör	28	28
	28	**28**
Sociala kostnader		
Styrelse och verkställande direktör	25	25
	25	**25**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**53**	**53**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	33 %	33 %
Andel män i styrelsen	67 %	67 %

Not 3 Resultat från andelar i koncernföretag

	2024	2023
Erhållna utdelningar	18 000	16 639
	18 000	**16 639**

Not 4 Övriga ränteintäkter och liknande resultatposter

	2024	2023
Ränteintäkter och liknande resultatposter som avser kortfristiga fordringar på och andelar i koncernföretag som är omsättningstillgång	15	0
	15	**0**

Not 5 Räntekostnader och liknande resultatposter

	2024	2023
Räntekostnader och liknande resultatposter som avser skulder till koncernföretag	-1 775	-1 775
Valutakursförlust	0	-1
	-1 775	**-1 776**

20250624092756

Not 6 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	173 790	173 790
Utgående ackumulerade anskaffningsvärden	**173 790**	**173 790**
Utgående redovisat värde	**173 790**	**173 790**

Not 7 Långfristiga skulder

	2024-12-31	2023-12-31
Långfristiga skulder som förfaller till betalning mellan 1-5 år efter balansdagen		
Skulder till koncernföretag	87 894	87 894
	87 894	**87 894**

Skulden förfaller 24 Maj 2031. Ränta utgår med 2,02%.

Not 8 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser efter räkenskapsårets slut.

20250624092777

Stockholm 19/6-2025

Nina Tour
Ordförande

Grant Stuart Broadway
Styrelseledamot

Robert Johan Mauritz Göthe
Styrelseledamot

Vår revisionsberättelse har lämnats 19/6-2025

Ernst & Young AB

Mikael Edman
Auktoriserad revisor

Certified true copy

CITCO

CITCO (SWEDEN) AB
Strandvägen 7A
114 56 Stockholm
Sweden

Phone: +46 (0)8 608 1044
Fax +46 (0)8 650 4622

20250624092778

Building a better working world

Revisionsberättelse

Till bolagsstämman i Näringsparadiset (Holding) Company AB, org.nr 556729 - 0084

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Näringsparadiset (Holding) Company AB för räkenskapsåret 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Näringsparadiset (Holding) Company ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Näringsparadiset (Holding) Company AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.

- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.

- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Building a better working world

20250624092279

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning av Näringsparadiset (Holding) Company AB för räkenskapsåret 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Näringsparadiset (Holding) Company AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Göteborg den 19/6-2025

Ernst & Young AB

Mikael Edman
Auktoriserad revisor

Certified true copy

CITCO

CITCO (SWEDEN) AB
Strandvägen 7A
114 56 Stockholm
Sweden

Phone: +46 (0)8 608 1044
Fax +46 (0)8 650 4622

A member firm of Ernst & Young Global Limited

For Professional Investors only

M&G Investments

M&G European Property Fund SICAV-FIS

Annual report and Consolidated Financial Statements (audited) for the year ended 31 December 2024

An open-ended investment fund incorporated in Luxembourg as a société d'investissement à capital variable–fonds d'investissement spécialisé (SICAV–FIS)



Contents

Financial highlights 1

Board of Directors, management and operations 2

Directory 5

Directors' report 6

Investment commentary 14

Environmental, Social and Governance 23

Fund statistics 40

Independent auditor's report 60

Consolidated statement of financial position 63

Consolidated income statement 65

Consolidated statement of comprehensive income . . 66

Statement of changes in the number of shares issued 67

Consolidated statement of changes in equity 69

Consolidated statement of cash flows 70

Consolidated statement of investment properties 72

Notes to the Consolidated Financial Statements 74

Independent practitioner's assurance report 135

Annex 1: Sustainable Finance Disclosure Regulation (unaudited) 138

Annex 2: INREV ESG vehicle-level KPIs 148

Front cover: Aurientis Aix-en-Provence, Senior Living, France

No subscription can be accepted on the basis of these Consolidated Financial Statements. Subscriptions are only valid if made on the basis of the latest published Prospectus accompanied by the latest Annual Report and Consolidated Financial Statements (audited).

Financial highlights

as at 31 December 2024 with comparatives as at the last reporting date 31 December 2023

Gross Asset Value

€4,536m

As at 31 December 2023, €4,576m

Net Asset Value

€3,972m

As at 31 December 2023, €3,961m

Fund total return 12 months to 31 December 2024

1.7%

12 months to December 2023, (8.3)%

Dividend yield (12 months to 31 December 2024)

3.4%

12 months to December 2023, 3.1%

Portfolio valuation

€3,968m

As at 31 December 2023, €3,934m

Occupancy rate

94.9%[a]

As at 31 December 2023, 95.6%

WALE (excluding breaks)

8.0 years[b]

As at 31 December 2023, 7.9 years

Gearing at portfolio level

6.6%

As at 31 December 2023, 9.3%

Gearing as a percentage of GAV

5.8%

As at 31 December 2023, 8.3%

Unless otherwise stated, the statistics on this page are calculated at Fund level using Fund valuation principles.

Source: M&G Luxembourg S.A.

[a] Includes future contracted leases.

[b] Excluding residential assets.

Board of Directors, management and operations

The Fund

This is the twentieth report of M&G European Property Fund SICAV-FIS (the 'Fund'), a public limited company qualifying as a specialised investment fund with variable share capital (société d'investissement à capital variable – fonds d'investissement spécialisé). This report is for the year ended 31 December 2024.

Board of Directors

Keith Burman (Chairman)



Mr Burman is an independent non-executive director. Formerly, he was a partner of ManagementPlus, a corporate governance firm, was responsible for PERE Fund Administration and Depositary services at State Street and BBH, and was an investment surveyor with LIM/Jones Lang LaSalle ('JLL'), in London and Luxembourg. Mr Burman co-chairs the ILA Alternative Funds Taskforce, and has been involved in ALFI's REIF Sub-Committee, AIFMD working group, the INREV Public Affairs Committee and the RICS Belux Board. He holds a Master's (PropVal & Law) from City University (London), and IPF (United Kingdom or 'UK') and IOD (UK) diplomas. He is a Chartered Fellow of Royal Institution of Chartered Surveyors ('RICS') and an Institut Luxembourgeois des Administrateurs (Institute of Directors) Certified Director.

Grant Broadway



Mr Broadway joined the Luxembourg offices of M&G in 2015. He holds the position of Real Estate Director where he is responsible for overseeing operations for M&G's Luxembourg domiciled real estate funds, transactions and corporate governance matters. He has been working in the Luxembourg funds space since 2011, having previously held a similar position with Invesco Real Estate. Mr Broadway holds an honours degree in Business Law from the University of Huddersfield in the UK.

Robert Orr



Mr Orr is a Chartered Surveyor with significant experience of the German and European real estate markets. He worked for JLL for over 29 years, during which time he was Country Manager for Germany, and later the Group's European CEO. In 2005, Robert founded the International Capital Group for JLL, establishing cross-border relationships with international investors seeking real estate investment opportunities. Mr Orr holds several non-executive director and advisory roles with other companies in the real estate and car parking sectors.

Tony Brown



Mr Brown became Global Head of M&G Real Estate in April 2018 after four years as Chief Investment Officer. He has 30 years' real estate investment experience across the UK, Continental Europe, North America, and Asia. Prior to joining M&G Real Estate in 2014, he was managing director of Lend Lease Investment Management, EMEA, where he oversaw a business managing £4.5bn of real estate and infrastructure funds. Prior to that, he also spent 14 years at Schroder Investment Management, latterly as fund director, where he managed the Schroder Exempt Property Unit Trust, with investment in circa £10bn of assets. Mr Brown started his career with Cushman and Wakefield as a graduate surveyor where he qualified as a Chartered Surveyor (MRICS).

Board of Directors, management and operations

Board of Directors (continued)

Forbes Fenton



Mr Fenton joined M&G in 1999 and is the CSSF authorised Conducting Officer for M&G Luxembourg, with responsibility for the oversight of all funds and mandates managed on a discretionary or delegated basis, across a range of asset classes for retail and institutional clients. Mr Fenton previously worked in the M&G Group Risk function for 20 years, where he was responsible for the investment oversight of fixed investment income and multi-asset funds, as well as segregated mandates, across a range of structures. Prior to this, he undertook the role of Head of Internal Audit at Prudential and N M Rothschild. He has also served on a number of industry panels including the International Organisation of Securities Commissions ('OSCO'), the European Securities and Markets Authority ('ESMA') and the Financial Conduct Authority ('FCA') through the European Fund and Asset Management Association ('EFAMA') and the Investment Association, on topics such as fund liquidity and leverage. Mr Fenton is a qualified chartered accountant at the ICAEW and a graduate from the University of Edinburgh.

Portfolio Management team

David Jackson – Co-Fund Manager – M&G Investment Management Ltd



Mr Jackson has over 40 years' of experience in private equity real estate, of which the last 26 years has been focused on core international real estate across multiple markets in Europe, North America, and the Asia-Pacific.

Mr Jackson is the Co-Fund Manager for the M&G European Property Fund and has been Fund Manager since inception of the Fund in 2006, having led the set-up and launch of the Fund for M&G. Mr Jackson has been responsible for the establishment and growth of the M&G Real Estate platform in continental Europe, extending to a network of 6 regional offices. The M&G European Property Fund has now grown to become the largest ex-UK diversified pan-European core fund, with a GAV of over €4bn, and investments in 12 different European markets, across all main property sectors.

Prior to 2006, Mr Jackson held various investment, asset, and fund management roles in global real estate for Prudential Plc and was responsible for establishing and managing their USD1.5bn North American separate account portfolio. He was also part of the team managing the initial investment programme into core APAC markets for Prudential plc.

Mr Jackson is a member of the Royal Institution of Chartered Surveyors ('MRICS'), the Investment Property Forum ('IPF'), the Urban Land Institute ('ULI'), and of INREV.

Board of Directors, management and operations

Portfolio Management team (continued)

Simon Ellis – Co-Fund Manager, M&G Investment Management Ltd



Mr Ellis has strong experience in property investment and asset management across all key markets in Continental Europe having worked on the Fund since launch and has led the purchase of many of the assets held within the Fund. This has included office, retail and logistics assets as well as living assets across the multi-family, student and Senior Living sectors. Mr Ellis has overseen the growth in the fund portfolio from 8 assets as at 31 December 2006 to 88 individual assets across 12 jurisdictions as at 31 December 2024.

Prior to joining M&G Real Estate in 2004, Mr Ellis worked in the investment field at CBRE and King Sturge (JLL), based in their Paris office. He is a member of the RICS, the ULI and has a BA in European Studies and a MSc in Land Management from the University of Reading. In his spare time, he acts as a Governor of a London primary school and has a good level of French fluency having studied and worked in France for two years.

Dimitri Doublet – Director of Core Funds Europe



Mr Doublet joined M&G Real Estate in January 2016 and is based in M&G's Paris office hub. Mr Doublet's responsibilities include the strategic review of the assets in the portfolio to ensure it is adequately positioned in a fast-paced environment. As part of his ongoing Fund Management duties, he works closely on strategic fund initiatives with Mr Jackson and Mr Ellis, as well as liaising with the local Asset Management on specific initiatives and projects.

Mr Doublet has over 16 years' real estate experience and joined M&G Real Estate in January 2016 from Internos Global Investors (now Principal Real Estate), where he was a portfolio and transaction manager in charge of several separate accounts and was responsible for sourcing investment opportunities. Prior to that, he worked in London in the Asset Management team at Invista REIM in their pan-European team and at Akeler Property Developments Ltd as a management accountant, thus bringing a broad array of skills and experience to his current role. He holds a BSc honours degree in Business Administration from the University of Montpellier, France and speaks French and English. He became a member of the RICS after completing a degree in valuation from ICH-CNAM in Paris in 2013.

Directory

Registered office of the Fund
16 boulevard Royal
L-2449 Luxembourg

Alternative Investment Fund Manager ('AIFM') and Distributor
M&G Luxembourg S.A.
16 boulevard Royal
L-2449 Luxembourg

Central Administration and Transfer Agent
Citco Fund Services (Luxembourg) S.A.
20 rue de la Poste
L-2346 Luxembourg

Depositary
Citco Bank Nederland N.V., Luxembourg branch
20 rue de la Poste
L-2346 Luxembourg

Portfolio Manager
M&G Investment Management Limited
10 Fenchurch Avenue
London EC3M 5AG

Asset Manager
M&G Real Estate Limited

London
10 Fenchurch Avenue
EC3M 5AG

Amsterdam
Strawinskylaan 357
1077 XX

Frankfurt am Main
Taunusanlage 19
60325

Madrid
Calle Fortuny, 6–4° A, 28010

Milan
Via Santa Maria Segreta 6, 20122

Paris
8 Rue Lamennais, 75008

Stockholm
Mäster Samuelsgatan 3, 111 44

Auditor of the Fund
Ernst & Young S.A.
35E avenue J.F. Kennedy
L-1855 Luxembourg

Luxembourg Legal Adviser
Hogan Lovells (Luxembourg) LLP
52 boulevard Marcel Cahen
L-1311 Luxembourg

Valuation Advisers
CBRE Limited
Henrietta House, Henrietta Place,
London W1G 0NB

Jones Lang LaSalle Expertises Value and Risk Advisory
40-42 rue la Boétie
75008 Paris
France

Directors' report

Summary of Fund performance

During the financial year ended 31 December 2024, the Fund's Net Asset Value ('NAV') increased from €3,961m as of 31 December 2023 to €3,972m. Meanwhile, the Gross Asset Value ('GAV') declined from €4,576m to €4,536m over the same period. The Fund achieved a total return of 1.7% for the 12-month period, while the blended net annualised dividend yield stood at 3.4% (calculated as the previous four quarters' distributions over the average NAV).

The Fund's robust performance throughout the year was principally underpinned by its resilient income returns. The valuation headwinds that persisted across 2023 extended into the first half of 2024, though a subsequent stabilisation in the latter half enabled the Fund to realise measured gains. Moreover, external debt steadily approached par as the unwinding of value corresponded with the Euro Interbank Offered Rate ('EURIBOR') finding equilibrium and volatility abating – a trend echoed within the Fund's interest rate derivatives.

The reduction in the Fund's GAV over the period was primarily driven by the maturity and subsequent repayment of several asset loans throughout 2024. The Fund maintained a deliberately conservative leverage strategy, which has been a key factor in sustaining its strong relative performance amid the prolonged high-interest rate environment.

The Fund has no formal benchmark, however, it has continued to outperform relative to both the INREV Open End Diversified Core Equity Fund Index and the MSCI Pan European Property Fund Index (Balanced Funds) indices during the year. The Fund's total return for the period from 1 January 2024 to 31 December 2024 was 1.7%, compared to the MSCI Pan European Property Fund Index (Balanced Funds) return of 0.5% and the INREV Open End Diversified Core Equity Fund Index return of 0.6% for the same period.

As at 31 December 2024, the net initial yield was 5.0% at the portfolio level and the net equivalent yield was 5.2%.

Fund overview

Investor sentiment is improving and this is slowly being reflected in more deals completing across Europe. The uptick in the transaction market also reflects lower debt costs and resilient occupational fundamentals. CBRE report a full-year transaction volume of €206bn (Europe including the UK), representing a 23% rise from the prior year. The last few months of the year included a number of standout large transactions, which have been largely absent from the market during the high interest rate environment.

Property values have demonstrated stability over the latter half of 2024, with most benchmark yields remaining unchanged, while some have begun to exhibit signs of compression.

Positive investor sentiment is causing the transactional market to pick up from its cyclical low point, particularly for favoured sectors such as Living and Logistics. Vacancy rates remain relatively low across all sectors, from Logistics to Purpose-Built Student Accommodation ('PBSA'), and should be conducive for future rental growth as demand is sustained, particularly for the highest quality assets in any sector.

During the 12-month period, the Fund has undertaken certain targeted sales particularly in the Office sector where the focus is to reduce exposure and focus on Central Business District ('CBD') offices with high Environmental, Social and Governance ('ESG') credentials. The Fund successfully executed the divestment of a logistics asset and a modestly sized shopping centre, in alignment with its strategic objective to uphold its retail allocation while prioritising out-of-town retail warehouses and mitigating exposure to fashion-oriented assets.

During the year, the Fund completed two acquisitions and six disposals, and ended the year with a total of 64 assets including 10 portfolios of multiple properties – a total of 88 properties on an individual asset basis.

Directors' report

In addition, a number of forward-funded developments reached practical completion during the period including three within the Living sector in France: a PRS/Multi-family asset and a PBSA asset both in Clichy, and a senior residence building in Aix-en-Provence. Lambres Lez Doaui, a newly developed logistics asset near Lille, France also reached completion. These developments have increased the Fund's allocation to the preferred sectors of Logistics and, in particular, Living – providing a more diversified and stable income stream.

Further details regarding all acquisitions and disposals can be found in the transaction activity section of the report.

During 2024, the portfolio remained well let, with a 94.9%[a] occupancy rate as at 31 December 2024 and a portfolio of 1,742[b] individual tenants. We continue to maintain tactically low leverage at 6.6% as a percentage of property valuation (5.8% as a percentage of GAV), and an average cost of debt at 2.2%. The long-term strategy is to increase leverage and transition the Fund's debt from individual loans to a scalable financing structure. Following the suspension of the Fund's planned inaugural bond issuance in 2022, there was a deliberate effort to reduce leverage against the backdrop of wider market conditions. However, the Fund now has significant leverage capacity to increase LTV at the optimal point in the value cycle when it should prove accretive to returns going forwards.

Positive investor sentiment has caused the transactional market to pick up from its cyclical low point which has been reflected at the Fund level during H2 2024 with the acquisition of two assets; a €49m logistics development in Orleans, France and an €80m multi-family scheme in Valencia, Spain in line with the Fund's strategy to recycle capital from its targeted sales into the Logistics and Living sectors.

[a] Includes future leases.

[b] Includes number of individual apartments for private rented sector ('PRS')/Multi-family assets.

Governance

The Board of Directors of the Fund (the 'Board') has overall responsibility for managing the Fund in accordance with the Articles of Incorporation, the Prospectus and Luxembourg law, including implementation of the investment objective and policy. The governance framework of the Fund, as well as the organisation of its management and administration, is clearly outlined in the Fund's Prospectus. This includes a description of the structure and governance principles of the investment manager's organisation, ensuring transparency and alignment with best practices. For the year under review, the Board received periodic reports from the AIFM, the Portfolio Manager and the Asset Manager detailing the Fund's liquidity profile, risk and compliance profile, and investment performance. The AIFM, the Portfolio Manager and the Asset Manager provide such other information as may from time to time be required by the Board. The Board meets at least quarterly in Luxembourg, and often more frequently, to exercise its governance responsibilities.

The Board operates an Audit Committee which meets at least three times each year and reports to meetings of the Board on the oversight of the planning and delivery of the audit, and the compilation of the Annual Report and Consolidated Financial Statements.

The Board applies the 'ALFI Code of Conduct for Luxembourg Investment Funds' as published on the ALFI website.

Directors' report

Investment objective and policy

The investment objective of the Fund is to invest in European markets to optimise long-term total return (the combination of income and growth of capital), through investment mainly in real estate investments.

The investment policy of the Fund is to invest in a diversified portfolio of commercial real estate in Europe, seeking to add value through strategic asset allocation, stock selection and asset management. The Fund may seek to hold assets in the following markets: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden and Switzerland. The Fund may also enter into derivatives transactions (but only to mitigate the risk of interest rate and currency movements) and may hold cash, Near Cash or cash deposits and money market instruments for short-term liquidity purposes. Transactions in derivatives will not compromise the risk profile of the Fund nor contravene the Investment Objective, borrowing limits or Investment Restrictions.

The Fund aims to invest in buildings which either have high environmental standards or the Manager seeks to improve the environmental footprint of the building. Continuous improvement in environmental and social performance of the assets is driven through the Fund's ESG targets.

The Fund will not invest in activities that are considered to be harmful to society or the environment.

The ESG Investment Policy sets out how environmental and social characteristics are considered within the Fund's investment process. The ESG Investment Policy includes aspirational targets relating to reducing the impact of the real estate assets on the environment, supporting the wellbeing of occupiers, and encouraging community engagement which are monitored using performance indicators, and external industry ESG benchmarks (such as Global Real Estate Benchmark ('GRESB')). The Portfolio Manager and Asset Manager report regularly upon outcomes to the Board, and in turn the Directors report regularly to Shareholders.

Financial Statements and reporting requirements

The Consolidated Financial Statements accompanying this report are compliant with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and Luxembourg law. The NAV, which forms the basis of the price at which Shares are issued and redeemed, is determined according to the provisions of the Prospectus. A reconciliation of the calculation (and explanation of the reconciling items) of the NAV according to IFRS, with the corresponding calculation according to the Prospectus, is contained within the notes to the Consolidated Financial Statements.

The Directors recognise the INREV Guidelines as the European industry standard for real estate funds as regards best practice and transparency for Shareholders and potential investors and have, in conjunction with the AIFM, assessed the degree to which the INREV Guidelines have been adopted. The results of the assessment are summarised overleaf.

Compliance of the Fund with the Sustainable Finance Disclosure Regulations and the EU Taxonomy Regulations

Information related to environmental and social characteristics promoted by the Fund required to be disclosed under Sustainable Finance Disclosure Regulations ('SFDR') is available on page 138 in Annex 1.

Directors' report

The Board and the AIFM has assessed the degree to which the best practices of INREV's guidelines have been adopted. The results of the assessment are summarised below:

Statement of INREV compliance

INREV module	Guidelines	Level of adoption or compliance
1	Corporate governance	Although not described in the Fund's Prospectus, the Board consider that all requirements of the INREV Corporate Governance module have been adopted in the Fund's corporate governance framework, except for the following: • No provision is made in the Fund documents for the removal of the AIFM which is appointed by the Board. • No provision is made in the constitutional terms of the vehicle enabling it to comply with INREV data collection requirements. The Board have formally assessed that the Fund continues to comply with its intended corporate governance framework.
2.1	Reporting	The Fund complies with the requirements of the Reporting module, where it is deemed to be in the commercial interest of the Fund and investors. Commercially sensitive matters have not been disclosed.
2.2	Sustainability reporting	The Fund complies with the requirements of the Sustainability Reporting module.
3	Property valuation	The Fund complies with the requirements of the Property Valuation Model, except the requirements pertaining to the explicit inclusion of sustainability metrics in valuations. These are anticipated to be included from 2025 onwards, in-line with the updated RICS 'red book' guidance.
4	Performance measurement	The Fund has disclosed income, capital and total return performance information since inception, and applies a calculation methodology that the Board deems appropriate for an open-ended fund, which is detailed in the Fund's quarterly investor reports.
5	NAV	The Fund complies with the requirements of the NAV module.
6	Fee and expense metrics	The Fund complies with the requirements of the Fee and Expense Metrics module.
7	Liquidity	The Fund has adopted and applied the requirements of the liquidity framework as deemed relevant by the Board for an open-ended fund, with the exception that Shareholders may only withdraw redemption requests at the discretion of the AIFM.
8	INREV data delivery	The AIFM makes available the Fund data in a format consistent with the Data Delivery module.
9	Code of Tax Conduct	The Fund complies with the requirements of the Code of Tax Conduct module
10	Sustainability	The Fund complies with the requirements of the INREV Sustainability Reporting module in this Annual Report.

Directors' report

Remuneration

This disclosure is made in accordance with the Alternative Investment Fund Managers Directive ('AIFMD'), European Commission Delegated Regulation supplementing the AIFMD (the 'Delegated Regulation') and the Guidelines on sound remuneration policies under the AIFMD issued by the European Securities and Markets Authority ('ESMA Guidelines').

M&G Luxembourg S.A. (the 'AIFM') is subject to a remuneration policy which is consistent with the principles outlined in the ESMA Guidelines.

The remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of employees is in line with the risk policies and objectives of the alternative investment funds ('AIFs') managed by the AIFM. Further details of the remuneration policy can be found here: **mandgplc.com/our-business/mandg-investments/mandg-investments-business-policies**. The remuneration policy and its implementation is reviewed on an annual basis, or more frequently where required, and is approved by the M&G plc Board Remuneration Committee. The most recent review found no fundamental issues with no material changes made to the policy.

The AIFM is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with M&G's interpretation of currently available guidance on quantitative remuneration disclosures.

The 'Identified Staff' of the AIFM are those who could have a material impact on the risk profile of the AIFM or the AIFs it manages, including the Fund, and generally includes senior management, risk takers and control functions. 'Identified Staff' typically provide both AIFMD and non-AIFMD related services and have a number of areas of responsibility. Therefore, only the portion of remuneration for those individuals' services which may be attributable to the AIFM is included in the remuneration figures disclosed. Accordingly, the figures are not representative of any individual's actual remuneration. The information needed to provide a further breakdown of remuneration is not readily available and would not be relevant or reliable.

The amounts shown below reflect payments made in respect of the financial year 1 January 2024 to 31 December 2024.

	Fixed remuneration €'000	Variable remuneration €'000	Total €'000	Number of beneficiaries
Identified Staff – senior management	3,058	3,881	6,939	15
Identified Staff – other risk takers	4,400	11,678	16,078	31
Staff members	22,781	11,442	34,223	204
Total	**30,239**	**27,001**	**57,240**	**250**

Risk management

The AIFM has retained responsibility for risk management in relation to the Fund. The Board has satisfied itself that the AIFM has a risk management framework which incorporates, inter alia, the following:

- an independent risk management function reporting directly to the AIFM's Board of Directors;
- an aggregated and systematic approach to risk management which ensures that risks are monitored at all levels of the Fund structure and at all life cycle stages of investments, including risks embedded in the operations of the AIFM, the Portfolio Manager and the Fund's key service providers;
- a written and regularly updated risk management policy describing methods to identify, measure, manage and monitor all relevant risks;

- a system of defined key risk indicators and respective risk limits subject to ongoing monitoring by the AIFM's Risk Manager. Risk limits are consistent with the investment strategy and risk profile of the Fund;
- the carrying-out of scenario and stress testing under the supervision of the Risk Manager, on at least an annual basis; and
- regular reporting to the AIFM's Board of Directors, the Board, the Luxembourg regulator and other stakeholders.

The Consolidated Financial Statements as at 31 December 2024 contain disclosures on financial risks as required by IFRS, such as interest rate risk, currency risk, credit risk and liquidity risk.

Further details on risk management and risk factors pertaining to the Fund are contained in Section 2 of the Prospectus.

For the year under review, there have been no breaches of identified risk limits.

Leverage and borrowing

The below leverage definitions, and related maximum values quoted, relate specifically to the AIFMD and AIFMD Level 2 Regulation definitions of leverage for disclosure purposes.

Under the AIFM Law and AIFMD Level 2 Regulation, 'leverage' is defined as being any method by which the exposure of the Fund is increased whether through borrowing of cash or securities, leverage embedded in derivative positions or by any other means. Leverage increases the Fund's exposure to the market and such increased exposure may give rise to increased levels of risk. A leverage measure (as defined by the AIFMD) of 100% means a leverage-free portfolio.

The AIFM Law and AIFMD Level 2 Regulation use two distinct definitions of leverage, both of which are calculated on a regular basis by the AIFM:

Under the 'gross method' the leverage is calculated as the ratio between the Fund's investment exposure (calculated by adding the absolute values of all portfolio positions, including the sum of the notional values of any derivative instruments used but excluding cash and cash equivalents in the base currency of the Fund), and the NAV; and the 'commitment method' takes into account netting and hedging arrangements and is defined as the ratio between the Fund's net investment exposure (not excluding cash and cash equivalents), and the NAV.

The Fund's level of leverage is controlled by the AIFM on a regular basis and should not exceed 250% of the NAV based on both methods.

The total amount of leverage calculated in accordance with the AIFMD methodology as at 31 December 2024 is as follows:

Gross method 102.30%
Commitment method 103.64%

The Fund's subsidiaries utilise borrowing facilities secured against real estate assets from time-to-time, subject to a target level of 20-25% of the GAV of the Fund and a maximum permitted level of 40% of GAV. Lenders have no recourse to the Fund.

The Fund may, in addition, utilise unsecured short-term borrowing facilities from time to time to finance asset purchases in advance of drawing down capital commitments from investors, and/or to meet redemption requests, subject to an overall total borrowing limit (secured and unsecured) of 30% of GAV.

Directors' report

Prospectus changes

In April 2024, the following changes came into effect, approved by the Board and the Luxembourg Regulator.

The changes can be summarised below:

- The correction in section 1.2.5 to replace the word 'significant' with 'any' in the context of the Controversial Weapons exclusion statement within the investment restrictions.
- The updating of Fund's SFDR pre-contractual disclosure template to specify the Fund's commitments to minimum EU Taxonomy aligned investments in fossil fuel gas and nuclear energy in accordance with regulatory requirements.
- The updating of responses provided in the pre-contractual disclosure found in the SFDR template including the:
  - removal of overlapping/redundant KSI's;
  - enhancement of the response on how the Manager assesses the high environmental standards of the sustainable investments that the Fund makes; and
  - clarification of the response regarding planned asset allocation for the Fund.

Post year-end, the following proposals to update the Fund's Prospectus were put forward to the Shareholder Advisory Committee ('SAC') in January 2025.

Proposed changes for approval:

- Updating of section 1.9 to reduce the maximum permitted level of unsecured short-term borrowing facilities from 40% to 30%.

  Rationale: This amendment reflects the long-term conservative debt policy of the Fund which, historically, has had debt levels well below the 40% threshold over all time periods. It should also enable the Fund to further increase and diversify its investor base going forward.

- Updating of the 'Near Cash' definition to include interests in money market funds and liquidity funds including those managed by the AIFM or any entity within the M&G Group as well as the updating of section 1.3 to clarify that the Fund may not hold interests in other collective investment schemes, other than money market or liquidity funds used solely for the purpose of short term liquidity management.

  Rationale: Intention to allow investments by the Fund in other money market and liquidity funds including those managed by the AIFM or any entity within the M&G Group, as already allowed for in other M&G real estate funds.

Proposed changes for consultation only:

- Amendment to the Fund's Articles of Association to allow for the sending of notices of general meetings via other electronic means and convening of an extraordinary general meeting of the Fund's shareholders to approve the above.
- To update the Swiss investors marketing disclosure in the introduction of the Fund's Prospectus.
- To update the Fund's structure chart to reflect that CBRE and JLL are the joint valuers of the Fund.

Directors' report

- To update any relevant reference to 'Valuation Adviser' and use instead the plural 'Valuation Advisers'.
- To update section 3.3 on the AIFM to reflect that the AIFM has elected to cover potential liability risks arising from professional negligence using additional own funds in accordance with applicable rules.
- To update section 4.18 on prevention of money laundering to reflect the latest regulatory changes.
- To update section 6.6 to reflect tax changes on the United Kingdom Offshore Funds Rules.
- To add a new section 7.7 on shareholders' rights to comply with the newly introduced requirements under the CSSF Circular 24/856 on the protection of investors in case of a NAV calculation error, an instance of non-compliance with the investment rules and other errors at UCI level.

The above changes were approved by the SAC in February 2025 and will be reflected in the next Prospectus update.



Keith Burman
Chairman

23 April 2025

Investment commentary

Portfolio performance

The total portfolio level return for the calendar year to 31 December 2024 was 1.7%, comprising an income return of 3.5% and a capital return of -1.7%.

On a like-for-like basis, the portfolio valuation increased by 3.9% in Euro terms. The positive 12-month performance was mainly attributable to positive property valuations in the second half of the year.

The best performing sector was Retail Warehouse with a total return of 6.1% followed by Logistics at 5.1%. The weakest performing sector was Shopping Centres with a total return on -5.7%. The Fund now has only a limited exposure to the sector of 1.8% (a relatively small shopping centre in Germany) following the disposal of Galerie Toison D'Or in Belgium earlier in the year.

The strongest individual asset performers were Madera 25, a tourist apartment in Madrid, Spain (total return 27.7%) due to a significant increase in turnover rent as a result of strong tourist demand and Alexandre Herculano, a large office asset in Lisbon, Portugal (total return 25.0%) as valuers reassessed estimated rental value ('ERV') and net internal area, following the proposed refurbishment plan for the asset.

The weakest performing asset was Jupiter House, an office asset in Amsterdam, the Netherlands which has suffered from high vacancy rates and yield increases as the secondary office market remains challenging. Positively, two new leases have now been signed which will reduce vacancy significantly going forward.

Portfolio structure

The portfolio remains well positioned with a broad range of core assets across the 12 most liquid, transparent markets in continental Europe, with dominant positions in France and Germany. The Fund is defensively positioned with a high occupancy rate (94.9%), low leverage (6.6%), and no exposure to direct development.

Geographically, the Fund is well positioned with a total of 64 assets and a broadly diversified tenant base of 1,742[a] individual tenants as at 31 December 2024. This includes 10 portfolios with a total of 88 properties on an individual asset basis. The largest country exposure is currently France (23.1%), followed by Germany (18.7%).

The Fund has consistently maintained an underweight position to the Central and Eastern Europe markets with the only exposure a small logistics portfolio in Poland (2.9%).

European real estate remains supported by favourable fundamentals, including low vacancy and supply levels. The majority of the commercial leases benefit from annual rent reviews linked to the Consumer Price Index ('CPI'), which can provide a hedge against inflation.

Fund strategy has continued to focus on upgrading the portfolio by reducing exposure to older assets that require disproportionately high capital expenditure and recycling capital in to the Logistics and Living sectors.

In the Logistics sector, the Fund continues to favour the long-term fundamentals of low vacancy and occupier demand. The supply and demand imbalance remains which should prove favourable to real rental growth, in particular for prime assets. The Fund strategy is to increase exposure to 25–30% over the medium term, taking advantage of repriced, top-quality opportunities across core Europe. Exposure to the sector increased slightly over the year to 21.1% (20.8% as at 31 December 2023) following the purchase of a fully-let logistics unit in Italy for €13m. In addition, the Fund has agreed to forward-fund the development of two new logistics units in Paris for €49m which will take the exposure to the sector to 22% (including committed pipeline transactions).

[a] Includes number of individual apartments for PRS/Multi-family assets.

Investment commentary

In the Living sector, the Fund remains strategically focused on three key residential sub-markets: PRS/Multi-family, PBSA in major university cities, and Senior Living. As of 31 December 2024, the Fund's sector exposure stood at 12.6%. Over the year, three forward-funded Living assets reached practical completion, including the Fund's inaugural PBSA investment. Additionally, the Fund acquired a standing PRS/Multi-family asset in Spain for €80m.

Looking ahead, the forward-committed pipeline includes one additional Living asset scheduled for completion in the first half of 2025, which will bring the sector exposure to approximately 14% when incorporating all current commitments. The Fund maintains a medium-term target allocation to the sector within the 20–30% range, reinforcing its commitment to strategic portfolio diversification.

The Fund has continued to reduce exposure to the Office sector with the Fund's strategy focusing on high-quality, CBD offices with good sustainability standards. Following a number of targeted office asset sales during the year, exposure has reduced to 39.0% (41.5% as at 31 December 2023). With a strategic emphasis on retaining prime CBD office assets that benefit from strong occupier demand, alongside further office disposals currently under exclusivity, the Fund's sector exposure is projected to decline below 35%, inclusive of all committed pipeline transactions.

In the Retail sector, the Fund's exposure is primarily attributed to the sub-sectors of Retail Warehouse and prime High Street assets in major tourist cities. Footfall and low vacancy rates for these types of assets offer attractive long-term income potential, with typically inflation linked leases. In line with the Fund's strategy, exposure to Shopping Centres reduced over the year with the sale of Galerie Toison D'or in Belgium. As a result, solely one shopping centre remains accounting for 1.8% of the portfolio. Fund exposure to the overall Retail sector as at 31 December 2024 was 25.8%, which is expected to remain relatively flat in the short-medium term.

The remaining 1.4% of Fund exposure is in the Alternatives sector which consists of one Life Science building in Sweden and a small hotel/tourist apartment in Spain.

Whilst the Fund will review suitable new opportunities in alternative sectors we expect exposure to remain limited in the short-medium term.

The Fund remains defensively positioned, prioritising the generation of resilient income streams through a well-diversified tenant base with consistently high occupancy levels. As part of its strategy, the Fund continues to expand its allocation to the defensive Living and Logistics sectors, further reinforcing the stability of its income profile. With substantial capital deployment capacity and prudent leverage availability, the Fund is well placed to capitalise on compelling market opportunities while simultaneously optimising portfolio performance through targeted asset enhancements and the advancement of sustainability standards.

Transaction activity

During the review period, the Fund benefitted from net in-flows of €95.0m of capital from investors (committed capital drawn during 2024). Following a deliberate slow down in investment activity during 2022/2023 in light of the rapidly changing and high interest rate markets, investment activity started to pick up across Europe as we moved into 2024. We are seeing an increasing number of potentially suitable deals coming to the market and, in line with the Fund's strategy to increase exposure to the Living and Logistics sectors while reducing exposure to the Office sector, a number of transactions were undertaken in the second half of 2024.

The Fund completed three acquisitions over the period and six disposals. In addition, four of the developments previously forward-funded by the Fund reached practical completion. A transaction to increase the ownership percentage of the Fund's joint venture investments was also completed. These transactions are summarised as follows:

Forward-funding – Completed
Lambres Lez Douai, Lille, France
In January 2024, the new logistics development reached completion and was fully let to a single tenant by the end of Q1 2024.

Investment commentary

Forward-funding – Completed
Les Boreales, Paris, France
In January 2024, this multi-family scheme reached practical completion. At the end of December 2024, the asset was over 86% occupied.

Disposal – Completed
Galerie Toison d'Or, Brussels, Belgium
In January 2024, the Fund disposed of the Galerie Toison d'Or shopping centre in Brussels, in line with valuation at €41m. The asset experienced prolonged vacancy on part of the building due to a challenging letting market and its micro location. In addition, capital expenditure will be required in the short to medium term to bring the ESG credentials up to standard.

Minority shareholding acquisition – Completed
Market Central Da Vinci, Rome, Italy
In June 2024, the Fund, along with its joint venture partner, purchased the remaining 10% of the shares of the two companies owning Market Central Da Vinci Retail Park and L14, Rome. The remaining shares were purchased following a Call Option Trigger Event under the terms and conditions of the Quota Holder Agreement. The transaction closed in June 2024, with the Fund increasing exposure to the Park by approximately €16m and now owning 50%.

Disposal – Completed
Kalvebod Brygge 47, Copenhagen, Denmark
In July 2024, the Fund completed the sale of the Kalvebod Brygge 47 office asset in Copenhagen, Denmark, above valuation at €80.6m. Significant capital expenditure would be required to upgrade the building to the latest standards and to allow multi-tenant use. The asset is currently single-let to Nykredit who were vacating the property in December 2025 and the sale removes a significant void risk from the portfolio.

Disposal – Completed
Klosterstraede 1, Copenhagen, Denmark
In July 2024, the Fund disposed of the Klosterstraede 1 office in Copenhagen, Denmark, above valuation at €2.3m. The disposal supports the Fund's strategy to reduce office exposure and, due to the sub-scale size of the asset, overhead costs are high in comparison to potential income generated.

Disposal – Completed
Nordager 1-3, Kolding, Denmark
In July 2024, the Fund disposed of the Nordager 1-3 logistics asset in Kolding, Denmark, above valuation at €44.2m. As part of the deal, a new 10-year lease was signed with the same tenant for the Danish logistics asset, Ullsvej 5 in Køge while disposing of an older, bespoke logistics property.

Disposal – Completed
Frederiksplein 42, Amsterdam, the Netherlands
In July 2024, the Fund disposed of the Frederiksplein 42 office in Amsterdam, the Netherlands, at a price of €17.0m in line with valuation. The disposal is in line with the Fund's strategy to reduce office exposure and primarily due to its sub-scale size.

Forward-funding – Completed
Clichy Rue du 8 Mars, Paris, France
In September 2024, this student accommodation development was officially opened to students following practical completion. The asset is fully let on a long-term lease to student housing operator Néméa who achieved 100% occupancy prior to opening.

Forward-funding – Completed
Aurientis Aix-en-Provence, France
In September 2024, this Senior Living development reached practical completion. The asset is fully let on a long-term lease to senior housing operator Nohée who will oversee daily operations and leasing.

Disposal – Completed
Ridlerstrasse 55, Munich, Germany
In December 2024, the Fund successfully completed the disposal of the Ridlerstrasse 55 office in Munich, Germany, at a price of €37m in line with valuation. This strategic sale is in line with strategy to dispose of older assets with significant capital expenditure requirements.

Investment commentary

Purchase – Completed
Vescovana, Padua, Italy
In November 2024, a €13m fully-let logistics unit in Vescovana, Italy, adjacent to an existing Fund asset was acquired. With long-term leases already in place, the acquisition adds stable cash flow to the portfolio and delivers an entry yield of 6.0%.

Purchase – Completed
Chambord Logistics Portfolio, Poupry, France
In December 2024, the Fund acquired a €49m forward-funded logistics development consisting of two units in Orleans, an established logistics hub, south of Paris. The portfolio, which will be developed over the next 12 months, will be approximately 50% pre-let to DHL, ensuring immediate income generation, while the remaining space is available for lease. The development features high-quality, sustainable buildings, and is expected to generate a blended yield of approximately 5.9%.

Purchase – Completed
Marina, Valencia, Spain
In December 2024, the Fund completed the €80m acquisition of a multi-family residential scheme in Valencia, Spain – its first investment in the Spanish Living sector. This asset offers strong rental growth potential and aligns with the Fund's sustainability objectives, boasting excellent ESG credentials.

Asset management initiatives

Following is a summary of some of the key asset management initiatives undertaken over the period under review:

Blekholmen, Stockholm, Sweden – New lease
A new lease with MTR Facility Management covering 388 sqm has been signed at an annual rent of €236,017 pa. At the same time, current design and manufacturing tenant, Alimak Group AB, have re-geared their existing lease covering 402 sqm, representing annual rent of €263,362 pa. Furthermore, a lease to IT systems provider SoftOne, was agreed and signed which will reduce vacancy of the asset going forwards. This office asset was disposed of post year-end at a significant premium to valuation at the time of agreeing terms.

Aurum, Munich, Germany – Lease extension
Existing anchor tenant, law firm Schoppe, Zimmermann, Stöckeler, Zinkler, Schenk and Partner mbB, extended their lease for a further 5-years. As part of the extension, the tenant relinquished 1,002 sqm resulting in a total let space of 3,602 sqm. Despite the decrease in rental area, an increased annual net rental income per sqm of €271, versus €251 previously, was achieved. Green lease clauses have been incorporated into the lease as part of the extension.

Hypermarket Portfolio, France – Lease activity
The two French hypermarkets in Marseille and Montpellier transferred from Casino to Auchan on identical lease terms. Following the transfer of the Albertville asset to Intermarche during 2023, the Fund now has no remaining exposure to Casino Group.

Via Pola, Office, Milan, Italy – Lease activity
Following the signing of a new lease contract with Italian food retailer Genuino, for the previously vacant ground floor retail unit, the asset is now fully let.

Gavilanes, Logistics, Madrid, Spain – New lease
A new 2-year lease contract has been signed with the existing tenant logistics company ADER, who has reduced their occupied space from three to two units, after executing their break option in December 2023. The newly vacant unit has been taken by logistics distributor Transtiar, with whom a 7-year contract has been negotiated. In both cases, rents have increased compared to the previous contracts, demonstrating the asset's strong fundamentals and high demand.

Da Vinci, Office, Luxembourg – Lease extension
Financial institution Lombard International Assurance, occupying c.60% of the property, have extended their lease by 5 years, with effect from April 2024. The tenant's incentives include a cash contribution to finance the replacement of the lighting system with a more efficient LED system, improving overall energy efficiency at the asset.

Investment commentary

Park Warsaw, Logistics, Warsaw, Poland – New lease
A new 3-year lease agreement with Polish wholesale distributor AJS, has been signed for the remaining 14,280 sqm of vacant space at the logistics asset. The lease came into effect in May 2024 and the asset has now reached 100% occupancy.

Jupiter House, Office, Amsterdam, the Netherlands – New lease
Two new leases were signed which will reduce vacancy at the asset. Leasing activity has picked up in recent months and this momentum will be used in marketing materials through publishing the new signings on real estate platforms and social media.

Nordpark, Retail warehouse, Dreieich, Germany – Renovation
Following the completion of renovation works at the retail park, an event was held in September 2024 to celebrate the re-opening. The event brought together tenants across the park to celebrate.

Market Central Da Vinci, Retail warehouse, Rome, Italy – Lease activity
Significant leasing activity has taken place throughout the year, summarised below, strengthening income stability and reaffirming strong tenant commitment:

- A new 5-year lease with Marlù, an Italian jewellery brand, to lease a retail unit of 111 sqm generating a minimum guaranteed rent of c.€80,000 per annum, plus 7% of turnover rent. The new unit opened in March 2024, enhancing the shopping experience of the retail park.
- Existing tenant, Italian furniture brand Dondi Salotti, signed a 15-year extension agreement which includes expansion to the neighbouring vacant unit.
- A new 5-year lease has been agreed with Italian beauty brand Kiko, for a retail unit of 111 sqm, generating a headline rent of c.€94,000 per annum. This is a significant rental increase compared to the previous tenant occupying the space (+127%).
- Lease contracts with clothing brands Clayton, Refrigiwear and Murphy&Nie extended respectively for 5 and 3 years, confirming continued strong tenant appetite to commit to the park.
- A retail unit of c.988 sqm was split in two and let to Jack&Jones and The North Face, increasing the stabilised rent by c.15% and extending the contract duration to 2026 and 2027, respectively.
- Terms agreed with McDonald's to enlarge their unit by 130 sqm, at the tenant's expense, with an upside of c.63% compared to previous rental income. The tenant signed a new 20-year lease contract, confirming their long term commitment to the retail park.
- A lease to the fashion retailer, Amore Store, has been extended by 3 years.
- A 5-year lease renewal has been secured with fashion retailer Original Marines, resulting in a 3% increase in stabilised rent.
- A lease has been renewed for an additional 5 years with Mamma Mi Street Food and Pizza, with an 8% increase in stabilised rent.
- An expansion project has been agreed with the gardening retailer Leroy Merlin and will be undertaken at the tenant's expense, boosting rental income by 12%.
- The lease to the Italian cookware manufacturer Bialetti has been renewed for an additional 5 years, with an 8% increase in stabilised rent. The unit will also undergo a re-styling and upgrade.
- The lease to fashion retailer Yamamay has been extended for 5 years, with a 14% increase in stabilised rental income.

Petit Bateau, Logistics, Troyes, France – Lease renewal
The lease to Petit Bateau has been renewed for an additional year, increasing the weighted average lease term. In return, the tenant will receive a financial incentive and undertake ESG works at the property.

Greenwalk, Office, Paris, France – Lease activity
A management contract with coworking operator, Regus (IWG), has been signed for 1,145sqm, covering 5% of the total area and reducing vacancy to 15%. Discussions are also ongoing with the second major tenant, care home operator DOMUSVI, for a potential lease renewal.

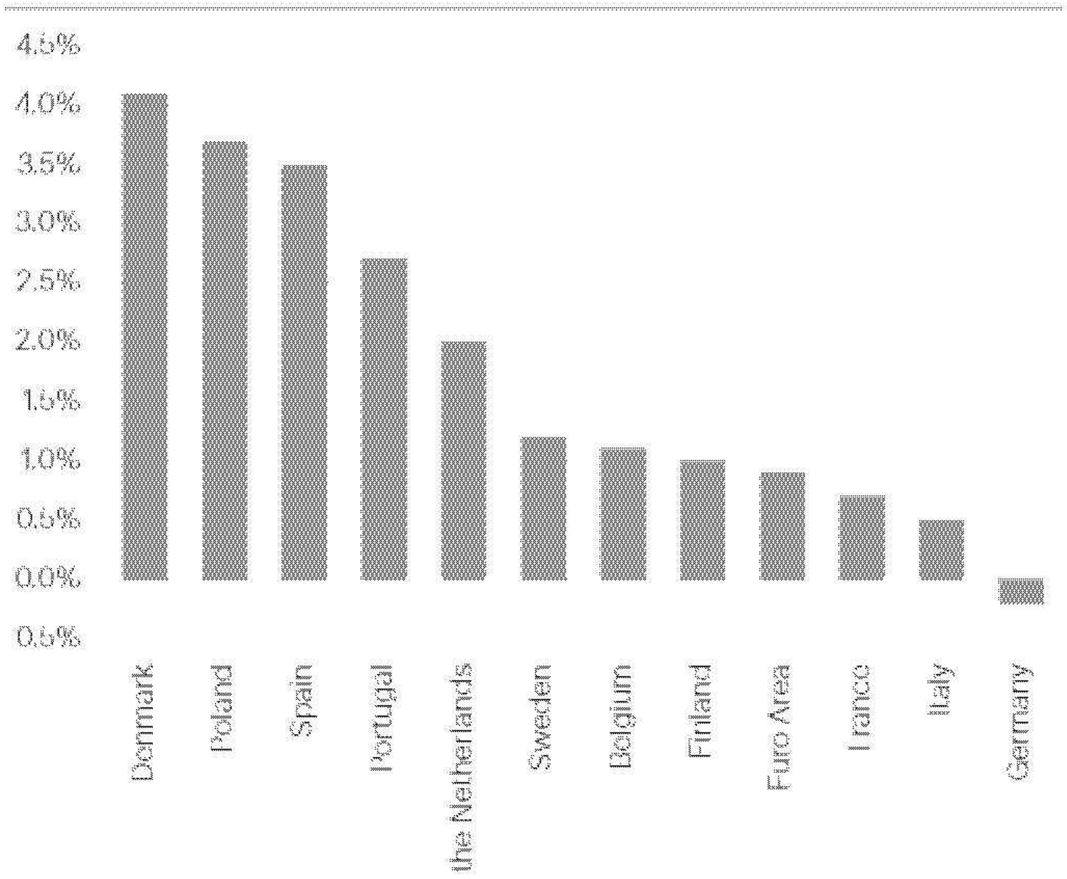
Investment commentary

Outlook

Economic outlook

The Eurozone economy grew 0.9% through 2024, with growth in the first three quarters of the year followed by a flatlining in Q4 2024. Compared to previous years, some of the macroeconomic headwinds (such as the cost-of-living crisis) have started to abate, though economic sentiment remains below long-run levels. On a GDP measure, outperformers in the bloc through the year were Spain (+3.5%) and Portugal (+2.7%) – both boosted by a strong tourism sector – while Germany (-0.2%) and Italy (+0.5%) both lagged.

GDP growth 2024, select markets



Source: M&G Real Estate based on Eurostat (February 2025)

Inflation measures continue to approach target. Starting the year with a headline reading of 2.8% in January, September (1.7%) saw the first inflation figure below the ECB's 2% target since the middle of 2021. Despite a slight rise to 2.4% in the December reading (mostly due to base effects), consensus expectations are that headline inflation will settle around the 2% mark in the near future. Core inflation remains a little stickier, but has been edging downwards and ended the year at 2.7% (January: 3.3%).

Following its first interest rate cut in June, the ECB is continuing to lead globally on monetary policy loosening. The deposit rate fell a further 25 basis points ('bps') to 3.00% in its December meeting, taking the total cuts to 100 bps in the final four meetings of the year. Looking forward, market expectations are for further cuts into 2025 to bring the policy rate to a more neutral range (indeed the January and March meetings also cut 25 bps), as concerns about the economic recovery outweigh global inflationary factors, notably the prospect of US tariffs.

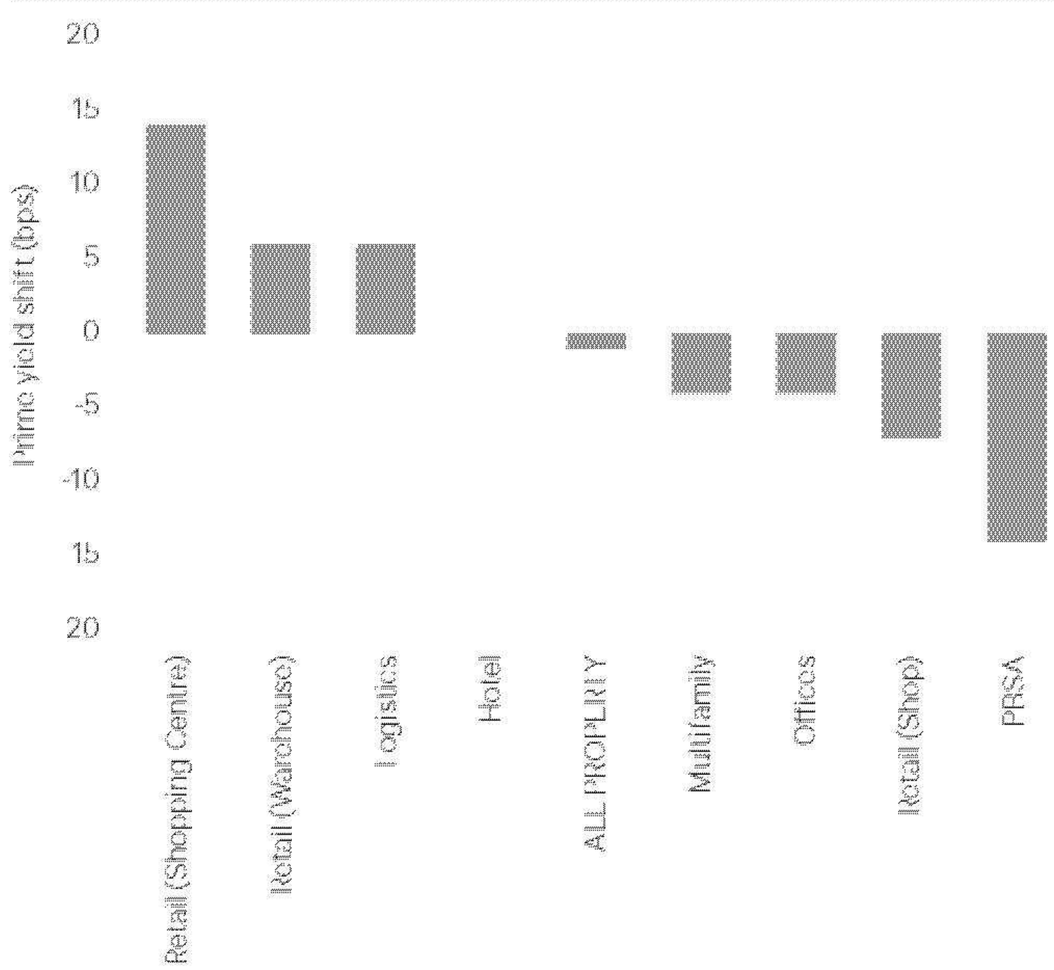
Property outlook

The European investment market displayed a year of two halves. A slow transaction market dominated the first six months of the year, with total (all-sector) investment of just €56.4bn in continental Europe. This was 5% up on H1 2023, but 42% below the prior five-year H1 average. Improved sentiment, pricing stability and an optimistic outlook led to an uptick in deal activity following the summer. €78bn worth of deals completed during H2 2024, 31% higher than the last six months of 2023. The full year volumes were therefore €134bn (+18% year-on-year), with the rebound most keenly felt in Italy (+70%), Sweden (+64%), and the Netherlands (+41%).

Prime benchmark yields have remained relatively stable through 2024, following 18 months of widening as interest rates rose. Indeed, the all-property Europe (ex UK) prime yield saw 1 basis point of compression between December 2023 and December 2024, though it peaked in April. At a sector level, there was a mixed performance. PBSA benchmark yields fell 14 bps, while shopping centres rose by the same amount. Our expectation is that prime yields will continue to harden a little during 2025, though a return to the lowest yields seen before the interest rate spike is very unlikely.

Investment commentary

Prime benchmark yield movement (basis points), December 2023 to December 2024



Source: M&G Real Estate based on CBRE (2025)

Notes: Based on stock-weighted average for select national and city markets across Western Europe.

Strong occupier markets have stimulated continued rental growth for most sectors, leading to modest capital value gains in the second half of the year (alongside flat or compressing yields). Despite the sector's challenges, prime office rents led the pack with 7.0% growth through the year. This was followed by residential (+5.0%) and logistics (+4.9%) – both structurally supported sectors – while retail brought up the rear (+1.7%). We expect above-inflation rental growth, particularly for the best quality assets across sectors, to continue into the near-term.

Logistics

Logistics occupier demand remains somewhat lower than recent record highs but is still elevated compared to the long-term averages, driven largely by a slowdown in e-commerce occupational expansion and wider occupier caution. Vacancy rates are low by historical standards, but have edged up since mid-2023 as developers continue to deliver some speculative space to the market. Pockets of over-supply are, however, very rare and speculative space under construction has fallen almost 40% since its peak in 2022.

Long-term fundamentals of the logistics sector remain robust as e-commerce growth continues (often from low bases across continental Europe) and occupiers focus on strengthening their supply chains. Further, some areas are benefiting from near-shoring activity and the growth in specialised manufacturing. The supply and demand imbalance should continue to prove favourable to real rental growth, in particular for prime assets. According to JLL data, Western European prime rental growth was +4.9% through 2024. City-level growth outperformers were Berlin (+31% annual growth), Barcelona (+12%), and Amsterdam (+10%) in the year.

Office

The office sector is still confronting a combination of cyclical and structural challenges. While prime assets are generally performing well and seeing low vacancies and significant nominal rental growth, sentiment towards the sector remains weak. Leasing velocity across Europe remains relatively slow, but is showing signs of bottoming out and recovery in some cities. According to JLL data, take-up across 28 major continental markets was just under 2.5m sqm in Q4 2024 and almost 10m sqm across 2024 as a whole (-3% against 2023). Of the 28 cities covered, twelve saw higher leasing activity in 2024 compared to 2023 – notably Lisbon (+80%), Munich (+29%) and Madrid (+26%).

Occupier demand remains focused on prime, ESG compliant, high-quality office space. Across 13 major cities with comparable data, CBD vacancy rates (4.6%) are nearly half the rate of the wider metro markets (9.1%) (mid-2024 data). Rental growth for prime building remains healthy, with outperformers including Brussels (+18% annual growth), Paris (+9%), and Munich (+9%), according to JLL data. For some cities, the supply pipeline is relatively elevated for 2025 (but tails off sharply thereafter), which will accelerate the obsolescence of any secondary space that does not meet these occupier requirements.

Investment commentary

Retail

At-target inflation, rising real wages, and growing consumer confidence suggests the worst negative impacts on retail spend are behind us. In December 2024, compared with a year earlier, the calendar adjusted retail sales index increased by 1.9% in the euro area and by 2.0% in the EU. However, consumers are still a little cautious, with savings rates above long-term averages – which should fall as interest rates come inwards.

Pockets of best performance can be found in prime high street locations in attractive tourist cities and dominant retail warehouse parks which have a diverse tenant base and omni-channel consolidation opportunities. Footfall for many types of asset and markets is recovering beyond pre-pandemic levels and vacancy rates have been falling for a number of quarters, stimulating some modest rental growth. By mid-2024, CBRE reported an 8% annual rise in footfall for European retail parks, compared to +2% for high streets and shopping centres. From a prime rental growth perspective, high street outperformers in Q4 2024 were Milan (+14% year-on-year), Lyon (+4%), and Rome (+3%).

Living

The PRS and other living sub-sectors still remain occupationally resilient with strong tenant demand and limited stock resulting in rising rental levels. In Germany, Europe's largest rental market, tenant demand grew 14% in the 12 months to Q4 2024, according to ImmoScout24. In the Netherlands, Pararius identify a 40% drop in the number of available free-sector rental properties on the market in Q4 2024 against a year earlier. And in Spain, Idealista report national-level rental growth for new leases of 11.2% (Q4 2024 vs Q4 2023), with rents growing above this in Barcelona (+13.9%) and Madrid (+15.7%).

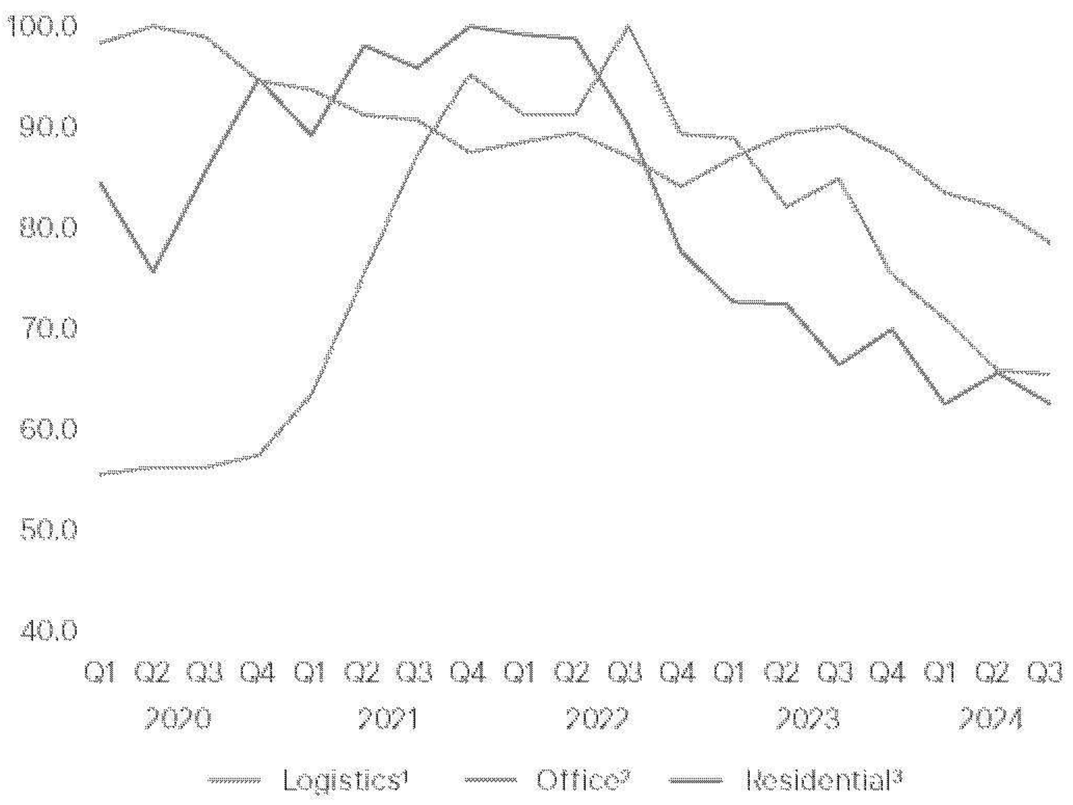
Alternative living sectors, notably student housing and Senior Living, are also benefitting from cyclical and structural demand drivers coming up against low levels of appropriate stock. Based on student profiles, identified unmet demand is around 2.4m beds across Europe. According to a recent BONARD report, PBSA rents grew 6.5% in 2023 and 5.4% in 2024, driven by strong occupational fundamentals supporting an average occupancy rate of 98% across Europe.

Outlook

With yield stability (and some selective compression for the best assets) combining with expectations of further ECB rate cuts in the coming months, the market outlook is as positive as it has been since the start of the monetary tightening period in 2022. Regional economic weakness, however, as well as global uncertainty and tariff threats associated with the new Trump administration, both present downside risks to the outlook.

The investment market – particularly in major cities, developed investment markets and for favoured sectors – is likely to continue its recovery in the coming quarters. Structural occupier demand will generate rental growth for favoured sectors, notably multifamily buildings and logistics warehouses, but also student housing and prime offices. With a forecast drop-off in supply across all sectors expected into 2025 and 2026, vacancy rates should remain low across the board.

Supply outlook by sector – peak value = 100



Source: M&G Real Estate based on JLL (2024), Local Statistical Authorities (2024)

1 Logistics based on sqm under construction at quarter end.

2 Office based on sqm under construction at quarter end.

3 Residential based on total permits for new dwellings authorised in quarter.

Investment commentary

Alongside sector differentials, a significant factor driving performance in the longer-term will be asset quality and sustainability standards. Older, secondary assets with weak ESG credentials will likely see the most aggressive re-pricing and potential obsolescence risk. While this is particularly the case in the office sector, it also extends to other sectors as regulatory deadlines fast approach – including the deadline for translating the EU's Energy Performance of Buildings Directive into national laws by spring 2026.

David Jackson and **Simon Ellis**
Co-Fund Managers
M&G Investment Management Ltd.

23 April 2025

Environmental, Social and Governance

Environmental, Social and Governance strategy

Real estate assets can have wide-ranging environmental and social impacts, both positive and negative. These factors can in turn also influence real estate investment performance: rental income, capital valuation, and liquidity. The Fund implements an ESG strategy to manage exposure to environmental and social risks, as well as to act on opportunities which support the investment objective.

ESG strategy is set in the context of M&G's wider corporate commitments, the Fund's regulatory obligations, investment strategy and Shareholder feedback. Aspirational targets, in addition to those disclosed under SFDR, are set and reviewed annually by the Portfolio Manager in conjunction with the Real Estate Asset Manager's ESG team. The approach to ESG governance and integration is outlined within the ESG Investment Policy, the policy is reviewed and approved annually by the Board.

Aspirational targets set in relation to 2024:

Environmental excellence			
Aspects	**Targets**	**Metrics monitored[a]**	**Target year end**
Reduce portfolio carbon emissions[b]	Optimise portfolio to reduce exposure to climate-related transition risk	Average valuation-weighted CRREM stranding year[c]	2026
	Actively asset manage operational carbon performance risk in the portfolio	% AUM (€) with costed decarbonisation pathway	2026
	Responsibly manage embodied carbon impact in development and major renovations	% development and major renovations (€) where M&G Sustainable Development Standard applied	2026
	Increase use of landlord renewable energy through on-site and off-site sources	% total landlord energy (MWh) consumed through on-site and off-site renewable energy	2026
Minimise exposure to physical risks	Undertake climate risk assessment on new investments	% AUM (€) acquired in year covered by climate risk screening	2024
	Undertake further investigation on assets with forecast high flood risk in 2050	% AUM (€) identified as 'high risk' in 2050 subject to internal or external review	2024
Certify asset performance	Majority of assets to hold Green Building Certification, or have plan to achieve certification within 3 years of purchase[d]	% AUM (€) certified or underway	2024
	Majority assets to achieve rating equivalent to BREEAM 'Very Good'	% AUM (€) certified as BREEAM 'Very Good' or equivalent	2025
	Majority of assets to achieve Energy Performance Certificate ('EPC') rating of 'B' or Nearly Zero Energy Building ('NZEB') equivalent.	% AUM (€) EPC 'B', NZEB or equivalent ERV to be used as proxy for value where rating is not whole building	2026

[a] Thresholds are defined for each metric, further detail can be provided on request.

[b] Our net zero 2050 commitment covers all operational emissions (Scope 1, 2 and 3 emissions, including energy used by tenants) as well as embodied carbon associated with development and major refurbishment. Analysis to include revised stranding years where interventions have been budgeted and approved.

[c] Analysis to include adjusted Carbon Risk Real Estate Monitor ('CRREM') stranding years where interventions have been budgeted and approved.

[d] Minimum of 50% of Asset Under Management ('AUM') to be certified at all times. Measurement includes assets where certification is planned and underway. There is an exception process where certification is deemed infeasible (eg an asset cannot be certified, for example ground rents) or not in the interest of investors (eg planned disposal).

Environmental, Social and Governance

Social benefit			
Aspects	**Targets**	**Metrics monitored[a]**	**Target year end**
Support tenant wellbeing	Contribute to occupier and community health and wellbeing in managed assets	% AUM (€) within landlord control where community or wellbeing initiative planned, completed or determined to be not feasible	2024
Manage tenant satisfaction	Outperform peer average GRESB Score for tenant engagement	Aggregate GRESB score (TC1, TC2.1, TC2.2) vs benchmark	2024
Ensure safety and security	Apply M&G Global Minimum Requirements ('GMRs') in relation to building safety for assets under direct control	M&G GMRs	2024

Good governance			
Aspects	**Targets**	**Metrics monitored[a]**	**Target year end**
Utilise real ESG data in analysis	All new leases to include 'green' clauses to enable ESG data access	% new leases in year (€ ERV) where green lease clause included	2024
	75% coverage of tenant energy data based on 'actual' information	% tenant floor area (m^2) based on actual energy data	2026
	50% tenant energy data captured automatically via smart solutions	% tenant floor area (m^2) where energy data captured via smart metering or data scraping	2026
Benchmark performance	Achieve minimum GRESB 4-star rating	GRESB Real Estate Assessment rating	2024
Provide transparent reporting	Align to INREV 2023 Sustainability and Reporting guidelines	INREV self-assessment results for mandatory requirements	2025
	No exposure to fossil fuel investments or tenants involved in controversial industries	% AUM (€) with no exposure to fossil fuel investments, and no tenants in breach of ESG Exclusion principles	2024

[a] Thresholds are defined for each metric, further detail can be provided on request.

The above objectives and targets are aspirational only. The binding elements of the investment strategy used to attain each of the environmental or social characteristics promoted are set out in the SFDR Level 2 Annex.

Objectives and targets relate to direct investment in real estate assets only, other asset types, for example cash, are excluded from the scope. Where real estate assets are held in joint venture or co-ownership without delegated control the Fund has applied best endeavours to apply objectives and targets.

Progress against ESG objectives and targets has been reviewed by the Investment Committee and Board at least twice a year. An assessment of performance for the year end 31 December 2024 is provided on the following pages. Each objective has been assigned a rating of either:

- On track/achieved: progressing according to plan/no additional action required
- Partially achieved: progress made but additional action required to complete
- Not on track/not achieved: not progressing in line with plan, unlikely to be achieved

Environmental, Social and Governance

Progress against the 2024 ESG targets

Environmental excellence

1. Reduce portfolio carbon emissions

Partially achieved:

- Exposure to climate-related transition risk has been assessed using the CRREM tool. The average valuation weighted 'stranding year' for the real estate portfolio is 2034 based on analysis provided by external consultants, EVORA Global.
- A pathway model has been produced to understand how the portfolio aligns to a net zero pathway (CRREM v2 Carbon Targets). The model details the interventions required to maintain alignment, as well as estimated costs associated with these works. The model has been adopted by the Portfolio & Asset Managers to support investment decision making.
- In addition to desktop-based analysis, 56% of real estate assets (by value) have now received a site-based net zero carbon audit to enable production of detailed decarbonisation plans. Recommendations requiring capital expenditure have been presented in asset budgets where conducive to investment strategy.
- During the reporting year, solar energy feasibility assessments were initiated at more than 20 retail and logistics assets to understand the commercial opportunity for on-site renewable energy generation.
- Installation of a leased solar energy array at Lambres-lez-Douai logistics asset in France will be completed in Summer 2025 by a third-party operator. The proposed system size of more than 4MWp will supply zero carbon energy both to the occupying tenant as well as to the local electricity grid.
- While the Asset Manager's Sustainable Development Standards have been enhanced, application of these requirements in development fundings is challenged by market adoption and awareness. Embodied carbon in particular remains an unregulated environmental issue in a number of European markets. As a result, it was not possible to obtain complete whole life carbon assessments for all projects. The Portfolio and Asset Managers will continue to engage with counterparties to apply its Sustainable Development Standards.

2. Minimise exposure to physical risks

On track/achieved:

- 97% of real estate assets (by value) were subject to the Asset Manager's global climate-related physical risk modelling exercise in December 2024 (see Climate-related Risk section). The remaining 3% of assets not covered by the analysis will be subject to screening in December 2025.
- 88% of assets (by count) are categorised as being exposed to low climate-related risk. Three assets are currently modelled as 'high risk'. Two were subject to further investigation in 2024 and were determined to have sufficient adaptation measures in place. The remaining asset will be subject to investigation in 2025.

3. Certify asset performance

On track/achieved:

- 66% of real estate assets (by value) held a Green Building Certificate by year end 2024. This is an increase versus 2023 where certification was at 55%. This has been achieved by obtaining BREEAM In-Use certification across assets, as well as the practical completion of development assets which targeted certification under BREEAM or LEED.
- 25% of real estate assets (by value) had certification 'underway', meaning consultants had been instructed and completion of submission was in progress. This meant that 91% of real estate assets were either certified or had a plan to certify by year end 2024.

Environmental, Social and Governance

- Additionally, 46% of real estate assets (by value) held a Green Building Certificate rating equivalent to BREEAM 'Very Good' or better by year end 2024.
- 8% real estate assets (by value) were not subject to certification due to planned disposition, refurbishment or other asset management factors.
- 44% of real estate assets (by value) were classified as energy efficient, EPC B and above or NZEB compliant, by year end 2024. EPC ratings are being addressed through two methods: improved data management to ensure that ratings are accurate and up to date; and investment in asset energy efficiency measures were conducive to investment strategy.

Social benefit

1. Support tenant wellbeing

On track/achieved:

- Sustainability Asset Plans ('SAPs') have been implemented in the portfolio for all assets and where deemed feasible, any completed or planned tenant wellbeing initiatives were incorporated into the SAPs. Indeed, several retail and offices assets hosted initiatives during the year to support occupier and community health and wellbeing.
- An example took place at the Blekholmen office asset in Sweden where space was provided to a local charity, Stockholm City Mission, with no rental charge. The charity established a gift shop at the property to distribute gifts to local disadvantaged families. More than 1,000 families visited the store, including 4,700 children, and a total of 14,280 Christmas gifts were distributed to those in need.

2. Manage occupier satisfaction

On track/achieved:

- The Fund achieved a score of 96% against the GRESB Real Estate Assessment indicators in relation to tenant engagement programmes (TC1), tenant satisfaction survey (TC2.1), and program to improve tenant satisfaction (TC2.2). This score was also higher than the peer group average score of 85%.

3. Ensure safety and security

On track/achieved:

- The Fund maintained its compliance with the internal GMRs policy relating to building and fire safety.

Good governance

1. Utilise real ESG data in analysis

On track/achieved:

- 100% of leases signed in the year (by estimated rental value) included green lease clauses, covering a range of issues such as data sharing and cooperation on ESG initiatives. One lease renewal was excluded from the requirement for green lease due to an overriding local regulation.
- Data available for 64% of floor area, inclusive of tenant areas, and based on 'actual' information
- 81% tenant energy data captured automatically via smart solutions where coverage exists.

2. Benchmark performance

On track/achieved:

- The Fund received a 4-star rating in the GRESB 2024 Real Estate Assessment.

3. Provide transparent reporting

On track/achieved:

- The Fund has enhanced monitoring and reporting to enable alignment with INREV 2023 Sustainability & Reporting guidelines. As such, 2024 data has been prepared to follow the INREV Sustainability Reporting guidelines (January 2023). A full list of both mandatory and voluntary Key Performance Indicators ('KPIs') can be found in Annex 2.
- No exposure to tenants involved in controversial industries during the reporting period.
- The Fund continues to hold an immaterial exposure to real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels. This relates to a petrol station at a retail asset. This represents less than <0.03% of total AUM and predates the introduction of the Fund's SFDR commitments.

Environmental, Social and Governance

GRESB Real Estate Assessment

The Fund achieved a 4-star status with a score of 87 out of 100, placing it in the top quartile of its peer group (Europe | Diversified | Core). This is significantly higher than the peer group average score of 77 and the GRESB global average of 76.

While the score for 2024 was four points lower than 2023, this was attributed to major updates made by GRESB to the scoring and aggregation methodologies which ultimately drive benchmark scores and ratings. These changes led to a net decrease in global average scores and were intended to mitigate the unsustainable upwards trend in participant results as well as improve differentiation among entities. GRESB has advised participants that overall, 2024 scores are not comparable to previous years.

Key changes included:

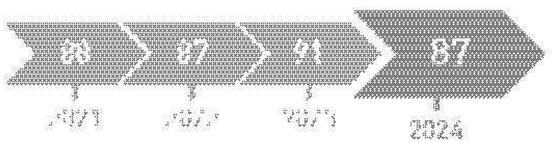
- Benchmarking asset performance on energy, greenhouse gas ('GHG'), water, waste and building certification indicators on country rather than regional groups. Net changes in score depend on the geographic distribution of assets and the relative competitiveness of each sector within a country.
- Discounting the value of building certifications over time, increasing the relative value of new certifications and operational certifications. Net changes in score depend on investment strategy, for example a strategy geared towards development will likely outperform standing portfolios in the same country.
- Peer group changes. While peer group ranks do not directly affect benchmarks or scores, changes to peer groupings limits year-on-year comparison of relative performance between participants. The Fund is now placed in a much broader peer group (Europe | non-listed | diversified | core) consisting of 202 entities compared to just 12 previously.

Despite the challenges presented by the above changes, the Fund outperformed the benchmark in all 14 sections of the survey and scored full marks for the Management Component, placing it first out of 1,061 European participants. The Portfolio and Asset Managers remain committed to enhancing the ESG performance of the Fund and are confident that activity undertaken in 2024 will support further enhancement to the GRESB score.

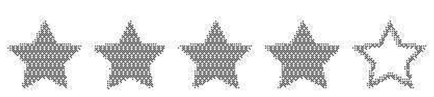
2024 GRESB Standing Investments Benchmark Report

M&G European Property Fund M&G Real Estate

Participation & Score



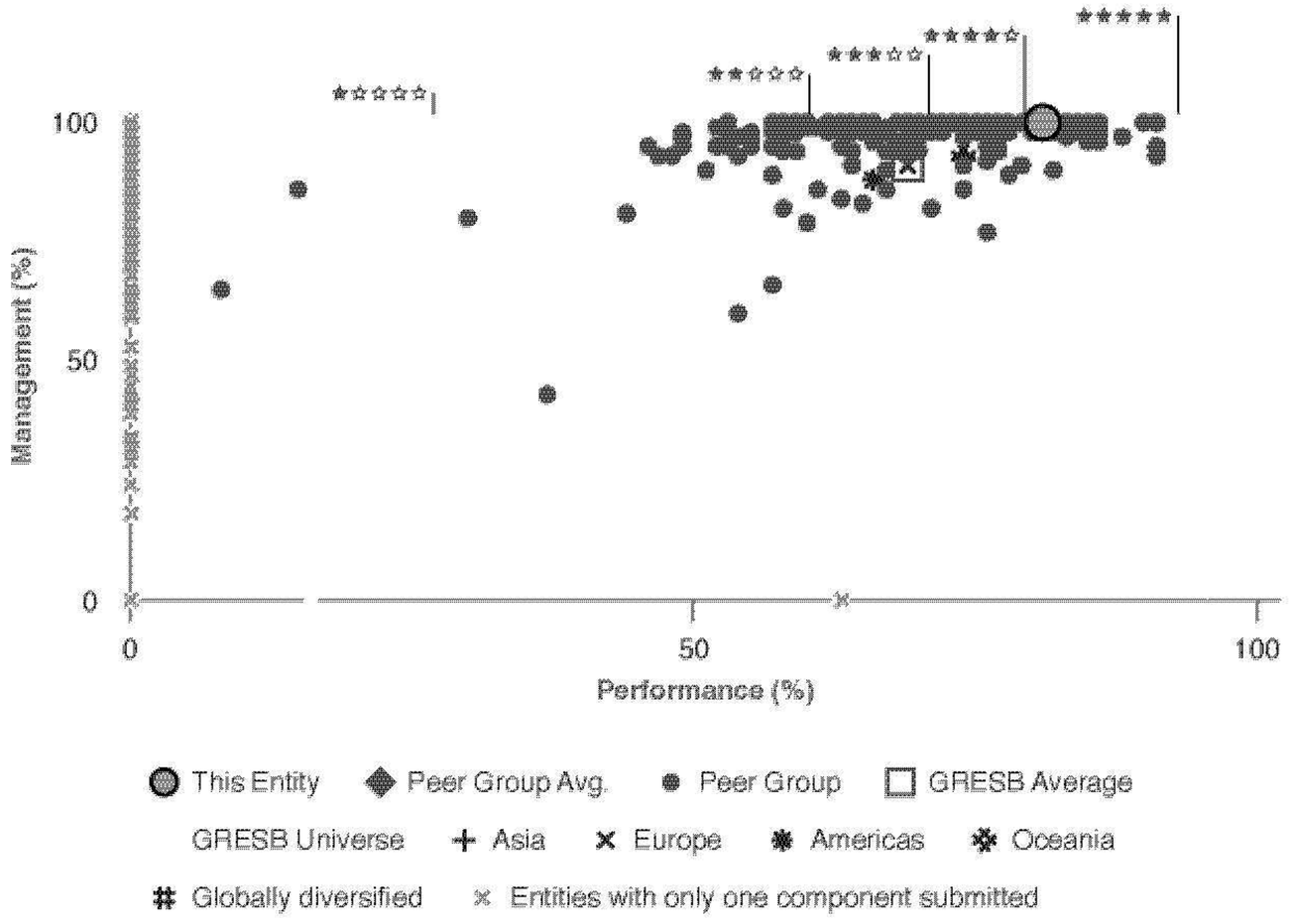
GRESB Rating



Status:	Strategy:	Location:	Property Type:
Non-listed	Core	Europe	Diversified

Environmental, Social and Governance

GRESB Model



87 / 100 — **GRESB Score** — Green Star
GRESB Average 76 — Peer Average 77

30 / 30 — **Management Score**
GRESB Average 27 — Benchmark Average 28

57 / 70 — **Performance Score**
GRESB Average 49 — Benchmark Average 48

Rankings

36th — GRESB Score within Diversified / Europe
Out of 263

49th — GRESB Score within Diversified / Non-listed / Core
Out of 306

112th — GRESB Score within Europe / Non-listed / Core / Open end
Out of 452

1st — Management Score within Europe
Out of 1061

1st — Management Score within Europe / Non-listed / Core
Out of 633

1st — Management Score within Europe / Non-listed / Core / Open end
Out of 458

42nd — Performance Score within Diversified / Europe
Out of 263

56th — Performance Score within Diversified / Non-listed / Core
Out of 306

126th — Performance Score within Europe / Non-listed / Core / Open end
Out of 452

Environmental, Social and Governance

Net zero and climate resilience

The Fund aims to manage climate-related risks and opportunities through the aspirational objectives set out in its ESG Investment Policy. The approach to identifying, managing and reporting on climate-related risk is provided in the table below. For information in relation to the Portfolio and Asset Managers' own climate-related risk strategy, please refer to the sustainability section in the M&G plc 2024 Annual Report.

Climate-related risk and opportunity

Governance		**Disclose the organisation's governance around climate-related risks and opportunities**
1	The Board's oversight of climate-related risks and opportunities	The Board is responsible for Fund ESG matters including climate-related risk. Responsibility for implementing ESG strategy rests with the Portfolio and Asset Managers (the 'Managers'). The Managers provide periodic reports to the Board on progress against sustainability targets and objectives.
2	Management's role in assessing and managing climate-related risks and opportunities	The Managers are responsible for assessing and managing climate-related risk and opportunities in the portfolio. They are also responsible for the delivery of the ESG strategy and targets, including the climate specific objective of achieving net zero carbon by 2050 and ensuring portfolio climate resilience.
Strategy		**Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning**
3	The climate-related risks and opportunities the organisation has identified over the short, medium and long term	The Fund has identified the following climate-related risks and opportunities in relation to investment strategy: **Short term to medium term (1-10 years)** • Increasingly stringent government regulation and market defined standards relating to building energy and carbon efficiency. These factors could affect the capital valuation of assets where they influence market behaviour. • Changing occupier requirements on building carbon and energy performance may increase the potential for asset obsolescence, as well as accelerating the rate of asset depreciation. • Assets may be exposed to acute physical climate-related risks (eg flash flooding). Where impact occurs, these may affect building operations and insurability, which could increase costs and accelerate asset obsolescence. • Shareholder climate-related risk requirements are rapidly evolving. There is significant opportunity to demonstrate a leading approach to addressing climate-related risk, but equally failure to meet these requirements increases the potential for reputational and financial risk. **Long term (10+ years)** • Assets may suffer increased physical damage because of acute and chronic physical climate-related risks, these may affect building condition and insurability. This may increase the potential for asset obsolescence, as well as accelerating the rate of asset depreciation. • Assets may suffer premature obsolescence due to poor energy and carbon performance if they are unable to meet regulatory, market and occupier demands.

Climate-related risk and opportunity (continued)

Strategy (continued)		Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning (continued)
4	The impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	The Fund and its Managers have committed to achieving net zero GHG emissions by 2050 and ensuring portfolio climate resilience. Further details of the M&G plc commitments and organisational approach can be found in the M&G plc Annual Report. Steps have been taken to integrate the consideration of climate-related risk and opportunity into business strategy and financial planning: **Acquisition** ESG due diligence requirements include consideration of flooding risk, energy efficiency and carbon efficiency. By evaluating these issues at the point of investment, the level of resilience can be better understood, underwritten and managed. The Managers' ESG-specialists, and external consultants, provide advice in relation to ESG factors to support investment decision-making. The Board holds final approval on investment decisions and therefore seeks evidence that appropriate due diligence (including for sustainability risks) has been completed, and that a mitigation strategy is in place where required. **Development** The Managers have Sustainable Development Standards which prescribe minimum requirements and aspirational targets for a range of ESG issues, including operational and embodied carbon and physical resilience in the development and refurbishment of assets. The Managers seek to apply the standard in all development related investments where feasible. The level of implementation can be limited by ownership structure and timing of investment. **Portfolio management** The Managers seek to establish SAPs for every asset. SAPs outline measures which aim to improve the ESG performance of buildings, these can include actions on energy and carbon efficiency improvements and are informed third-party technical assessments. Initiatives have been incorporated in the 2025 asset planning cycle where they align with the investment strategy. Additionally, the CRREM tool has been used to provide a forward-looking assessment of potential transition risks associated with operational carbon and energy. The results of the analysis have been adopted by the Managers for consideration in investment strategy.
5	The resilience of the organisation's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario	**Transition climate risk scenario analysis** The Fund produced a net zero carbon 'pathway' model using the CRREM tool with analysis provided by third-party specialist EVORA Global. The pathway quantifies the 'operational' carbon emission of the Fund's portfolio (Scope 1, 2 and 3 downstream leased assets emissions), and maps these to the country and sector specific decarbonisation targets provided by CRREM. The target trajectories are consistent with the 2050 net zero target established under the Paris Agreement. The modelling included projections of energy consumption and carbon emissions for each asset for the period 2019 to 2050. In addition, the impact of energy and carbon offset costs were considered for each scenario. Where asset energy and carbon performance did not align to the pathway, mitigation measures were modelled to quantify the emission reduction and capital expenditure required. The analysis incorporates a number of assumptions: • Input data covers all assets in the portfolio utilising energy data or proxies and estimates where consumption data is missing. • Mitigation measures, including emission reductions and costs, are based on proprietary estimates provided by EVORA Global.

Climate-related risk and opportunity (continued)

Strategy (continued)	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning (continued)	
5	The resilience of the organisation's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario (continued)	Outputs include: • An outline of how the Fund is currently positioned against a net zero pathway and the order of magnitude of resources required to align with, or exceed, interim (2030 and 2040) and 2050 goals. • Fund level net zero targets for portfolio energy intensity (kWh/m^2) and carbon intensity ($kgCO_2/m^2$) for each decade to 2050. • Asset level data detailing both current CRREM alignment year, based on 2022 energy consumption data, and expected CRREM alignment year post-completion of mitigation measures. Based on the use of CRREM, the average valuation weighted 'stranding year' for the real estate portfolio is 2034. The analysis was made using 2023 annual energy consumption data which covered 97% of assets by value. This is interpreted to mean that there is low risk of material asset obsolescence due to climate-related transition risks in the near term. However, assets will need to be upgraded to maintain carbon performance which aligns to a net zero emission pathway. It is estimated that investment of €101m in energy efficiency measures, electrification of heating systems and renewable energy over a period of 5 years could achieve a 69% reduction in portfolio emissions by 2030, and a 97% reduction by 2050. The table below identifies the potential longer-term cost which may be required to align with a 2050 net zero pathway.

Modelled capital expenditure estimate/timeframe	2024–2030[a]	2031–2050[a]
Energy efficiency	€40.6m	€0.0m
Electrification of heat	€5.0m	€9.9m
Renewable energy generation	€55.3m	€0.0m
Total	€100.8m	€9.9m
Per annum	€14.4m	€0.5m
Total (psm)	€68.14	€6.78
Total capital expenditure as % of Fund GAV	3.0%	0.3%

[a] This information has been obtained from a third party source and such information has not been independently verified by M&G. No representation, warranty, or undertaking, expressed or implied, is given to the accuracy or completeness of such information by M&G or any other person. While such sources are believed to be reliable, M&G does not assume any responsibility for the accuracy or completeness of such information.

It should be recognised that actual deployment of capital into energy efficiency projects is governed by a number of factors, including:

- Alignment with the investment objective and strategy.
- Legal responsibility, including application of local regulation and lease covenants, in some cases costs may fall under the responsibility of tenants.
- Commercial opportunity, for example energy efficiency measures may support lease negotiations or may generate income in the case of renewable systems.
- Planned and preventative maintenance, where it is expected that mechanical and electrical equipment would require replacement at end-of-life.
- Liquidity risk, understanding whether proceeding or not proceeding with a measure would affect the Fund's ability to exit an asset.

A programme of site-based net zero carbon audits has been completed over the past two years to provide more detailed appraisal of the opportunity for energy and carbon efficiency improvement in each asset. As of 31 December 2024, net zero audits were completed across 56% of direct real estate asset capital value, further audits are planned in 2025.

Climate-related risk and opportunity (continued)

Strategy (continued)		Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning (continued)
5	The resilience of the organisation's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario (continued)	Results of both the portfolio analysis and asset level audits have been adopted by the Managers and are considered as part of ongoing hold-sell analysis and investment strategy. Asset budgets approved for 2024 and 2025 have included ESG-related capital expenditure, prioritising projects which enhance investment strategy or are required to comply with local regulation. The Fund has also completed a full Scope 1, 2 and 3 carbon footprint which has identified that the most significant source of carbon emissions is the embodied carbon from development investments. The Managers seek to mitigate this area of emissions through application of the Sustainable Development Standards. The Managers also undertake net zero carbon audits on new investments during due diligence. These tools are used to engage counterparties, developers and sellers, in reducing the carbon emissions associated with development and refurbishment. Application is challenged by market adoption and awareness on embodied carbon as it remains an unregulated environmental issue in a number of European markets. **Physical climate risk scenario analysis** The Fund has assessed the exposure of the assets within the portfolio to physical risk posed by eight climate-related perils (river flood, surface water flood, coastal flood, windstorm, wildfire, freeze-thaw, heat-stress and soil movement). The analysis was completed by the insurance and risk specialist, Marsh, and climate scenario modelers XDI. It assessed the portfolio against two future climate change warming scenarios: an Orderly scenario (RCP 2.6: ~1.5°C) and hothouse scenario (RCP 8.5 ≥3°C). Present-day risk was initially assessed for each asset, this is considered to be based on the climate in year 2020 for the purpose of modelling as it is the nearest complete dataset. The model was then extended across the two climate warming scenarios out to the year 2100. For each scenario and time-step (2020, 2050, 2100), modelled damage severity outputs were generated to quantify the likelihood of a severe event and the expected financial impact this might have on a given asset. The calculated output was used to place assets into high, medium or low risk categories, the threshold for each category was defined by Marsh. At the end of December 2024, the dataset was updated to remove assets which were sold as well as to account for assets acquired in the period. The scenario analysis identified surface water and riverine flooding as the principal physical climate-related risks which may impact the portfolio in the longer term. Collectively these two perils account for 95% of the modelled cost of damage for the present day scenario. Three assets were identified as high risk by the model. Further investigation conducted on these assets has determined that appropriate mitigation measures are either in place or are planned to be implemented within a suitable timeframe. • Les Boreales, France. Investigation completed by a third-party consultant during acquisition determined that although the asset lies in a flooding risk zone, the conditions of the developer's building permit required the building to be constructed in accordance with the flood risk prevention plan of Haut-de-Seine with appropriate flood mitigation measures. Implementation of these conditions was monitored through to completion. • Arendal, Sweden. A hydrologist was engaged to assess flood risk at the site and to make recommendations on appropriate mitigation measures. Planned improvement works were incorporated into the 2025 asset plan. • Vescovana Logistic, Italy. The extension to the existing assets which was completed in 2024 has been identified as high risk in relation to surface water flooding. Review of information procured during due diligence has determined that the development was required to meet local planning conditions in relation to surface water drainage. Implementation of these conditions was monitored through to completion. It is acknowledged that models have limitations and as part of our commitment to iteratively improve our analysis, the Fund will continue to explore alternative models to best understand climate-related risks, and to account for resilience measures omitted within the current datasets. A retender of the modelling provider is planned for 2025. It should also be noted that the scenario modelling undertaken relates to direct impacts only and has not yet reached a level of sophistication to enable accurate measurement of indirect risks, such as those that may impact the operation of third parties (for examples tenants) or asset obsolescence (eg damage to local infrastructure). Any country level mitigation (national defences) or adaptation measures which may reduce the likelihood and or severity of physical impacts have not yet been incorporated within the models.

Climate-related risk and opportunity (continued)

Risk management		**How the organisation identifies, assesses, and manages climate-related risks**
6	The organisation's processes for identifying and assessing climate-related risks	Assets within the portfolio have undergone a physical and transition risk scenario analysis, which has identified current and projected exposure to potential climate-related risks. The Managers will continue to enhance their analysis to understand key drivers of risk to enable risk mitigation and resilience measures.
7	The organisation's processes for managing climate-related risks	The Managers are now in the process of using the net zero carbon pathway model, asset level net zero carbon audits, and physical climate-related risk review to inform portfolio management and investment strategy.
8	How processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	The ESG Risk Management approach is defined under the Managers' Risk Management Framework and the Three Lines of Defence ('3LoD') model. Refer to the M&G plc Annual Report.
Metrics and targets		**The metrics and targets used to assess and manage relevant climate-related risks and opportunities**
9	Metrics used by the organisation to assess climate-related risks and opportunities	For climate-related transition risk, we track the metrics identified in the Environmental Performance Data and accompanying GHG Disclosure section (pages 34 and 36). For physical climate-related risk exposure, we track 'total modelled cost of damage' (see Section 10). This is a measure of potential average annualised loss which is calculated on the basis of modelled exposure to direct physical impacts and estimated cost of repair.

Climate-related risk and opportunity (continued)

Metrics and targets (continued)	The metrics and targets used to assess and manage relevant climate-related risks and opportunities (continued)
10 Disclosure of Scope 1, Scope 2 and Scope 3 GHG emissions and the related risks	**Greenhouse gas monitoring** The GHG footprint of the real estate investment portfolio covers Scope 1, Scope 2, and all material Scope 3 emission activity for years ending December 2023 and 2024. Data is prepared in accordance with the GHG Protocol methodology. An equity share approach is applied whereby the reporting entity accounts for GHG emissions from operations and assets according to its share of equity in the operation. Data in relation to previous years has been restated where data coverage and quality has materially improved. Overall, the annual Scope 1, 2 and 3 GHG emissions of the Fund increased by 42% due to Scope 3 embodied carbon emissions associated with the completion of four developments compared to only one in the previous year. Embodied carbon remains a challenging issue for the real estate issue, the Fund's approach to addressing performance in this area is discussed in the previous sections. Operational emissions by comparison (Scope 1, Scope 2 and Scope 3 Cat 13) showed less significant year on year variance of +0.9%. Note: Emission data in relation to 2023 has been restated due to the availability of new tenant utility data which has improved the accuracy of reporting.

GHG protocol scope	Source	Category	2023 (tCO_2e)	2024 (tCO_2e)	Variance %
Total			**59,298**	**84,184**	**42%**
Scope 1					
	Landlord-procured fuels	LL fuels	669	890	33%
	Landlord-procured refrigerants	LL ref	404	547	35%
Scope 2					
	Landlord energy – location based	LL energy	7,616	7,827	3%
	Landlord energy – market based	LL energy	Unavailable	Unavailable	–
Scope 3					
Upstream	Purchased goods and services	Cat.1	2,393	2,323	-3%
	Capital goods	Cat.2	2,280	2,741	20%
	Embodied carbon	Cat.2	16,019	39,994	150%
	Fuel and energy related activities	Cat.3	2,206	2,188	-1%
	Waste generated in operations	Cat.5	216	425	97%
	Water supply and wastewater	Wat.1	73	82	11%
Downstream	Downstream leased assets	Cat.13	27,423	27,167	-1%
	Indirect investments	Cat.15	0	0	0%

Source: EVORA Global, based on 2024 and 2023 (Jan-Dec) data. Like-for-like analysis excludes assets purchased, sold, refurbished, had significant data gaps or subject to a significant change in the scope of reported data during the two-year reporting period. Data qualifying notes available on request.

Climate-related risk and opportunity (continued)

Metrics and targets (continued)	The metrics and targets used to assess and manage relevant climate-related risks and opportunities (continued)

10 Disclosure of Scope 1, Scope 2 and Scope 3 GHG emissions and the related risks (continued)

Estimated utility data and data coverage

GHG protocol scope	2024 Data coverage	Actual %	Estimated %	PCAF score
Scope 1 (fuels only)	69%	16%	84%	4
Scope 2	81%	79%	21%	2
Scope 1 and 2	75%	73%	27%	3
Scope 3 (Cat. 13)	57%	40%	60%	3
Total	64%	48%	52%	3

Source: EVORA Global, based on 2024 and 2023 (Jan-Dec) data. Like-for-like analysis excludes assets purchased, sold, refurbished, had significant data gaps or subject to a significant change in the scope of reported data during the two-year reporting period. Data qualifying notes available on request.

Physical risk screening

Present day exposure under the hothouse scenario for 'total modelled cost of damage' resulting from physical climate-related risks is modelled to be 0.11% of the Fund's AUM[a]. The data below should be read in context of the modelling limitations identified in the previous section. It should also be noted that all real estate assets may exhibit some exposure to climate-related risks irrespective of the modelled output.

		Climate VaR – Physical risk as a proportion of total Fund AUM[a]		
Scenarios	Hazard category	2020	2050	2100
~1.5°C (orderly)	High risk	0.06%	0.07%	0.08%
	Medium risk	0.02%	0.03%	0.03%
	Low risk	0.02%	0.02%	0.02%
3°C (hothouse)	High risk	0.06%	0.07%	0.14%
	Medium risk	0.03%	0.04%	0.03%
	Low risk	0.02%	0.02%	0.03%

[a] AUM calculated as capital valuation at 31 December 2024. Physical risk data, produced in Q4 2024, covers 97% of the portfolio (real estate value). The remaining 3% will be assessed in 2025. The format above is designed to cover the INREV Reporting Module key performance indicators for ESG Climate Change – Physical Risks and Opportunities (ESG3.4.2, 3.4.2.1, 3.4.2.2).

11 Targets used by the organisation to manage climate-related risks and opportunities and performance against targets

See 2024 ESG Targets under Environmental excellence.

Environmental, Social and Governance

INREV summary of environmental performance metrics

The table below provides a summary of INREV ESG vehicle-level KPIs on both an absolute and like-for-like basis for years ending December 2023 and 2024. Data has been prepared to follow the INREV Sustainability Reporting guidelines (January 2023). A full list of both mandatory and voluntary KPIs can be found in Annex 2.

Like-for-like analysis exclude assets purchased, sold, or under major development/refurbishment, significant data gaps or subject to a significant change in the scope of reported data during the two-year reporting period.

			Actual		Estimated		Total			Like-for-like (CY-CY)		
	Performance metric		2023	2024	2023	2024	2023	2024	Change %	2023	2024	Change %
Energy	**Electricity (kWh)**	Landlord controlled	22,149,723	19,839,252	1,176,972	2,566,321	23,326,695	22,405,573	-3.9%	13,961,964	14,166,526	1.5%
		Tenant controlled	86,934,574	31,825,345	12,634,984	64,856,713	99,569,559	96,682,058	-2.9%	23,280,324	21,944,158	-5.7%
		Electricity from off-site renewable source (%)	12.8%	17.2%	7.2%	7.6%	12.2%	11.8%	-0.4%	15.2%	16.6%	1.4%
		Electricity from on-site renewable source (%)	0.2%	0.0%	0.0%	0.0%	0.2%	0.0%	-0.2%	0.0%	0.0%	0.0%
	Fuels (kWh)	Landlord controlled	2,107,337	763,116	1,550,641	4,105,501	3,657,977	4,868,616	33.1%	702,249	688,164	-2.0%
		Tenant controlled	18,310,456	13,054,165	8,601,112	13,464,988	26,911,568	25,519,153	-1.5%	8,130,428	7,029,195	-13.5%
		Fuels from off-site renewable source (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	District heating/cooling (kwh)	Landlord controlled	15,047,156	11,895,698	34,631	4,408,991	15,081,786	16,304,689	8.1%	7,917,535	7,901,168	-0.2%
		Tenant controlled	5,206,518	2,368,975	7,983,081	10,499,322	13,189,600	12,868,296	-2.4%	784,511	1,026,187	30.8%
		District heating/cooling from off-site renewable source (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Total (kwh)	Landlord controlled	39,304,215	32,498,066	2,762,244	11,080,813	42,066,459	43,578,879	3.6%	22,581,748	22,755,859	0.8%
		Tenant controlled	110,451,549	47,248,485	29,219,178	88,821,023	139,670,727	136,069,508	-2.6%	32,195,263	29,999,540	-6.8%
	Estimated data (%)	Landlord controlled	0.0%	0.0%	100.0%	100.0%	6.6%	25.4%	18.9%	0.0%	0.0%	0.0%
		Tenant controlled	0.0%	0.0%	100.0%	100.0%	20.9%	65.3%	44.4%	0.0%	0.0%	0.0%
	Data coverage (% of total area)	Total electricity	90.6%	66.6%	9.4%	33.4%	100.0%	100.0%	0.0%	54.4%	52.9%	-1.5%
		Total fuels	84.1%	63.5%	15.9%	36.5%	100.0%	100.0%	0.0%	55.4%	54.3%	-1.1%
		Total district heating/cooling	86.8%	76.3%	13.2%	23.7%	100.0%	100.0%	0.0%	54.5%	54.5%	0.0%

[a] Where 2023 and 2024 totals are presented as a percentage based performance metric, change % is calculated as absolute change. For all other performance metrics, change % is calculated as percentage change.

Environmental, Social and Governance

INREV summary of environmental performance metrics (continued)

			Actual		Estimated		Total			Like-for-like (Q1-Q3)		
Performance metric			2023	2024	2023	2024	2023	2024	Change %[4]	2023	2024	Change %[4]
GHG	tCO_2e (location-based)	Scope 1 (fuels)	385	140	284	751	669	890	33.1%	128	126	-2.0%
		Scope 2	7,465	6,212	150	1,615	7,616	7,827	2.8%	4,234	4,350	2.7%
		Scope 3 (tenant controlled energy only)	20,737	10,965	6,526	16,202	27,423	27,167	-0.9%	7,824	7,501	-4.1%
	tCO_2e (location-based) - equity adjusted	Scope 1 (fuels) equity adjusted	385	140	284	751	669	890	33.1%	128	126	-2.0%
		Scope 2 – equity adjusted	7,337	6,118	150	1,582	7,487	7,700	2.8%	4,234	4,350	2.7%
		Scope 3 (tenant procured energy only) - equity adjusted	18,891	10,948	6,526	14,497	25,517	25,445	-0.3%	7,824	7,501	-4.1%
	Data coverage (% of total area)	Scope 1 (fuels)	83.9%	69.2%	16.1%	30.8%	100.0%	100.0%	0.0%	63.9%	69.2%	5.3%
		Scope 2	92.8%	80.7%	7.2%	19.3%	100.0%	100.0%	0.0%	68.9%	70.2%	1.4%
		Scope 3 (tenant controlled energy only)	80.7%	56.5%	19.3%	43.5%	100.0%	100.0%	0.0%	42.5%	41.9%	-0.6%
Water	Consumption (m^3)	Landlord controlled	281,232	134,514	31,376	92,476	312,609	226,990	-27.4%	195,762	101,285	-48.3%
		Tenant controlled	148,263	57,408	204,853	316,418	353,117	373,826	5.9%	23,392	47,179	101.7%
		Reused/recycled (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Estimated data (%)	Landlord controlled	0.0%	0.0%	100.0%	100.0%	10.0%	40.7%	30.7%	0.0%	0.0%	0.0%
		Tenant controlled	0.0%	0.0%	100.0%	100.0%	58.0%	84.6%	26.6%	0.0%	0.0%	0.0%
	Data coverage (% of total area)	Total water	79.0%	49.6%	21.0%	50.4%	100.0%	100.0%	0.0%	32.2%	31.3%	-0.9%
Waste	Waste produced (tonnes)	Landlord controlled	1,627	2,090	0.0%	0.0%	1,627	2,090	28.5%	78	195	149.6%
		Tenant controlled	6,362	2,484	0.0%	0.0%	6,362	2,484	-60.9%	--	--	0.0%
		Recycled (%)	66.2%	54.5%	0.0%	0.0%	66.2%	54.5%	-11.7%	6.5%	94.8%	88.3%
		Diverted from landfill (%)	83.6%	61.9%	0.0%	0.0%	83.6%	61.9%	-21.7%	100.0%	100.0%	0.0%
	Data coverage (% of total area)	Total waste	49.9%	26.9%	--	--	--	--	--	2.2%	2.1%	-0.1%
	Estimated data (%)	Landlord controlled	0.0%	0.0%	--	--	--	--	--	0.0%	0.0%	0.0%
		Tenant controlled	0.0%	0.0%	--	--	--	--	--	0.0%	0.0%	0.0%

[4] Where 2023 and 2024 totals are presented as a percentage based performance metric, change % is calculated as absolute change. For all other performance metrics, change % is calculated as percentage change.

Environmental, Social and Governance

Strong foundations

There are ten strong foundations we believe must be in place to deliver our ESG objectives, alongside objectives set for the Fund.

Strong foundations		
1	Investor reporting and engagement	Shareholders are provided with quarterly and annual updates on the ESG credentials, and performance of the portfolio. The Fund participates annually in the GRESB survey and targets to improve year on year performance. The Managers also undertake extensive engagement with industry working groups on ESG to support the development of best practice and standardisation on key issues such as net zero. In this report, the Managers have worked to improve disclosure on climate-related risk in accordance with TCFD recommendations. M&G is committed to transparent and efficient client communication. It aims to communicate regularly with Shareholders through standard reporting which includes matters concerning ESG performance at both a fund and asset level. For material ESG-related incidents (eg those carrying reputational, legal and/or financial liabilities in relation to the Fund), investors are notified by way of Quarterly Investor Reports. Incidents are escalated via the Risk and Compliance Committee, the Investment Committee and the Board where required. Remedial action plans are monitored to completion and progress reported in Quarterly Investor Reports.
2	Risk management and regulatory compliance	M&G incorporate sustainability risks in accordance with the M&G ESG Risk Management Framework and ESG Risk Policy which prescribes a 3LoD model to govern the risk management approach. The first line employees are responsible for the ownership and day-to-day management of risks and is overseen by the structurally independent second line Risk and Compliance function. The third line internal audit function is empowered by the M&G Audit Committee to audit the design and operating effectiveness of systems of internal controls. Analysis of ESG risks forms part of the deal selection and approval process. Papers submitted to the Property Investment Committee ('PIC') are required to highlight material ESG risks. During acquisition, completion of ESG-related technical due diligence forms part of the formal due diligence checklist. Technical assessments are procured from third-party specialists and findings reviewed by the deal owner. Findings may influence underwriting assumptions, price chipping and asset business plans. Material deviations are escalated to PIC for further discussion and actions implemented to mitigate identified ESG risks. In exceptional cases, transactions may be aborted where ESG risk mitigation is not possible. During portfolio management, ESG-related key performance indicators are monitored and actions incorporated into asset business planning. Where material ESG risks are identified, corrective and preventative actions may: • Require that additional actions are incorporated into the asset management plan to resolve or mitigate the identified issue. Approvals for additional budget may also be sought to allow for actions to be implemented. Corrective and preventative actions plans are developed and managed in collaboration with the involvement of internal and external subject matter experts. • Require that engagement with partners, such as third-party property managers, is increased in order to influence and drive implementation of identified corrective actions and preventative actions as required. • In exceptional cases, results in the disposal of assets where ESG risk mitigation is not achievable or has a material negative influence on long term investment performance. The Managers appoint specialist third parties to provide advice on regulatory compliance on an ongoing basis. There are no known cases of non-compliance with local environmental regulation. The approach to asset management includes addressing local compliance. For example, asset plans have incorporated LED lighting retrofit projects to comply with the EU's phase-out of general purpose compact and linear fluorescent lamps. The Managers also participate in industry and regulatory consultations to support the development of standards and supporting guidelines.

Environmental, Social and Governance

Strong foundations (continued)		
3	Acquisitions	Review of material ESG issues are integrated in the acquisition due diligence processes. The governance process requires that these items are subject to review and investigation prior to final investment with the aim to mitigate exposure to risk. The transaction process includes the involvement of both internal and external subject matter experts to support investment teams.
4	Asset planning and prioritisation	Annual SAPs are produced and incorporate measures to manage and/or improve ESG performance, based on the risk, opportunities and investment strategy. The SIERA data management platform is also used by property managers to track other asset ESG initiatives which contribute to ESG performance.
5	Leasing	The Fund has green leases clauses in a number of assets, and the Managers are in the process of integrating green lease clauses into all new leases across Europe where there is opportunity to do so. The Managers engage with tenants to identify and act on opportunities to cooperate on ESG-related initiatives.
6	Monitoring and guidance	Performance against the aspirational ESG strategy and binding commitments set under the SFDR disclosure, is monitored by the Managers. Operational oversight is provided by the M&G Real Estate PIC which has delegated authorities from the M&G Real Estate Board to take certain investment decisions, including those relating to ESG investment policy and practice. The PIC reviews fund performance against ESG objectives on, at least, a bi-annual basis, as well as reviewing ESG performance of acquisitions. PIC has an ESG sub-committee that meets regularly to support the strategic implementation of ESG strategy. During portfolio management, ESG-related key performance indicators are monitored and actions incorporated into asset planning. A consultant, EVORA Global, provides monitoring of environmental performance data using a proprietary data management system. Third-party property managers input environmental performance data into EVORA's online platform on a regular basis. A combination of manual and automated data quality checks aims to ensures the highest levels of data coverage and accuracy. On an annual basis, data which is submitted to the GRESB Real Estate Assessment is subject to limited assurance by an independent third party. Separately, M&G Real Estate maintain an environmental management system for the UK business which is independently certified to ISO 14001: 2015, the objective is to maintain certification to the standard at all times.
7	Property management	Third-party property managers have sustainability requirements integrated into their contracts and Service Level Agreements. Annual KPIs are set and monitored to ensure that property managers and their supply chain support the delivery of the Fund's ESG strategy.
8	Development and refurbishment	All developments in the Fund have strong sustainability credentials. Minimum requirements and aspirational targets are set out in M&G Sustainable Development Standard which is a key tool for the Fund's engagement with development partners.
9	Supply chain management	ESG standards and requirements are provided to suppliers as appropriate to their services. Monitoring is in place to ensure that contractual requirements are adhered to.
10	Employee engagement	All employees understand their role in the delivery of M&G's ESG strategy through training and briefings and receive regular updates on the ESG performance of portfolios and assets they work on. All investment colleagues across the M&G Investments business are set a personal objective in relation to ESG. Diversity and Inclusion ('D&I') related engagement is set at M&G group level, further information on the business D&I strategy can be found in the M&G plc Annual Report.

Fund statistics

Share class performance

Scheme	1 year			3 year annualised			5 year annualised			Since inception (annualised)[a]		
	Income return	Capital return	Total return	Income return	Capital return	Total return	Income return	Capital return	Total return	Income return	Capital return	Total return
Class 'C'	3.10%	-1.76%	1.34%	2.63%	-6.45%	-3.82%	2.64%	-3.02%	-0.38%	3.59%	-1.38%	2.22%
Class 'E'[a]	3.41%	-1.77%	1.64%	2.94%	-6.46%	-3.52%	–	–	–	2.95%	-3.02%	-0.07%
Class 'F'[b]	3.51%	-1.77%	1.74%	3.04%	-6.47%	-3.43%	3.05%	-3.03%	0.02%	3.06%	-1.96%	1.09%
Class 'G'[c]	3.56%	-1.77%	1.79%	3.09%	-6.47%	-3.38%	–	–	–	3.09%	-3.44%	-0.35%
Class 'X'	3.33%	-1.77%	1.56%	2.86%	-6.46%	-3.60%	2.87%	-3.03%	-0.15%	3.47%	0.15%	3.62%

[a] Class 'E' Shares were first issued on 1 January 2019 and fully converted to other share classes on 1 July 2019. The shares under this share class were re-issued on 1 January 2020 and subsequently on 1 July 2022 for Class 'E' Accumulated Shares.

[b] Class 'F' Shares were first issued on 1 January 2019.

[c] Class 'G' Shares were first issued on 1 October 2020.

The income return quoted is calculated on an earned basis, not a paid basis.

Capital returns include the fair value movement on the following: real estate assets, deferred tax liabilities, debt obligations and hedging instruments.

Past performance is no indication of current or future performance and the performance data does not take account of transaction costs incurred on the issue and redemption of Shares.

The price of Shares and the income from them may go down as well as up, and investors may get back less than they invested.

Dividends are paid quarterly on Income Shares two months after the relevant accounting reference date.

The accounting reference and payments dates of the dividends for the coming year will be as follows:

Income allocation dates

Distribution type	Accounting reference date	Payment date
First interim	31.03.25	30.05.25
Second interim	30.06.25	29.08.25
Third interim	30.09.25	28.11.25
Final interim	31.12.25	27.02.26

On 31 December 2024, the NAV per Share for each class and type of share in issue were as follows:

NAV per Share

Share class	Income shares €	Accumulation shares €
Class 'C'	82.35	149.44
Class 'E'	82.31	159.67
Class 'F'	82.14	156.18
Class 'G'	82.14	156.51
Class 'X'	82.32	154.55

Fund statistics

NAV per Share (history)

Share class	Calendar year	Income shares Highest €	Income shares Lowest €	Accumulation shares Highest €	Accumulation shares Lowest €
Class 'C'[a]	2006[a]	101.40	100.00	101.40	100.00
	2007	108.31	100.60	110.79	100.60
	2008	107.27	90.09	110.94	95.42
	2009	88.63	79.14	94.87	86.94
	2010	80.07	77.83	93.37	87.66
	2011	81.10	79.96	98.22	94.17
	2012	81.25	79.75	101.05	98.63
	2013	79.51	77.52	102.30	101.07
	2014	78.75	77.02	107.77	102.41
	2015	82.90	78.63	117.70	108.65
	2016	85.78	82.83	125.65	118.44
	2017	89.68	85.91	135.02	126.81
	2018	92.56	88.98	143.39	135.56
	2019	96.01	91.97	152.29	143.50
	2020	96.17	94.85	155.75	152.56
	2021	100.19	95.29	167.94	157.03
	2022	102.59	94.33	173.17	161.45
	2023	92.07	83.80	158.67	147.47
	2024	82.35	81.91	149.44	145.40
Class 'E'[b]	2019	92.67	91.87	–	–
	2020	96.15	94.85	–	–
	2021	100.14	95.25	–	–
	2022	102.55	94.28	181.22	171.48
	2023	92.03	83.76	168.65	157.10
	2024	82.31	81.87	159.67	155.00
Class 'F'[c]	2019	95.84	91.87	156.01	146.47
	2020	95.97	94.67	160.19	156.60
	2021	99.94	95.06	173.41	161.67
	2022	102.34	94.09	179.16	167.39
	2023	91.85	83.59	164.67	153.51
	2024	82.14	81.71	156.18	151.50
Class 'G'[d]	2019	–	–	–	–
	2020	94.91	94.91	160.21	160.21
	2021	99.94	95.06	173.52	161.71
	2022	102.34	94.09	179.31	167.57
	2023	91.84	83.59	164.87	153.75
	2024	82.14	81.70	156.51	151.76
Class 'X'[e]	2011	81.13	79.96	98.48	94.17
	2012	81.26	79.75	101.52	98.91
	2013	79.52	77.51	103.01	101.61
	2014	78.76	76.99	108.86	103.21
	2015	82.91	78.61	119.18	109.77
	2016	85.76	82.81	127.55	119.96
	2017	89.66	85.86	137.43	128.75
	2018	92.55	88.92	146.31	138.06
	2019	96.00	91.98	155.73	146.45
	2020	96.14	94.84	159.63	156.18
	2021	100.15	95.25	172.51	161.03
	2022	102.56	94.29	178.07	166.22
	2023	92.04	83.76	163.45	152.17
	2024	82.32	81.88	154.55	150.11

[a] From 3 October 2006 (the launch date of the Fund) to 31 December 2006.

[b] Class 'E' Shares were first issued on 1 January 2019 and fully converted to other share classes on 1 July 2019. The shares under this share class were re-issued on 1 January 2020 and subsequently on 1 July 2022 for Class 'E' Accumulated Shares.

[c] Class 'F' Shares were first issued on 1 January 2019.

[d] Class 'G' Shares were first issued on 1 October 2020.

[e] Class 'X' Shares were first issued on 1 February 2011.

Fund statistics

The net distributable income allocated to one Income Share in issue for each distribution in the last 12 months is set out below:

Income

Income share class	Accounting reference date	Payment date	Income per share €
Class 'C'	31.03.24	30.05.24	0.7064
	30.06.23	29.08.24	0.6268
	30.09.24	28.11.24	0.5236
	31.12.24	27.02.25	0.6703
Class 'E'	31.03.24	30.05.24	0.7684
	30.06.23	29.08.24	0.6888
	30.09.24	28.11.24	0.5862
	31.12.24	27.02.25	0.7330
Class 'F'	31.03.24	30.05.24	0.7876
	30.06.23	29.08.24	0.7081
	30.09.24	28.11.24	0.6059
	31.12.24	27.02.25	0.7526
Class 'G'	31.03.24	30.05.24	0.7979
	30.06.23	29.08.24	0.7185
	30.09.24	28.11.24	0.6163
	31.12.24	27.02.25	0.7631
Class 'X'	31.03.24	30.05.24	0.7528
	30.06.23	29.08.24	0.6733
	30.09.24	28.11.24	0.5705
	31.12.24	27.02.25	0.7173

The net distributable income allocated to one Income Share in issue for each of the last five financial years is set out below:

Income

Share class	Financial year ended	Income €
Class 'C'	31.07.20	2.2080
	31.12.20[d]	1.3366
	31.12.21	2.3225
	31.12.22	2.0820
	31.12.23	2.4564
	31.12.24	2.5271
Class 'E'[a]	31.07.20	1.8715
	31.12.20[d]	1.4536
	31.12.21	2.6126
	31.12.22	2.3873
	31.12.23	2.7250
	31.12.24	2.7764
Class 'F'[b]	31.07.20	2.5803
	31.12.20[d]	1.4908
	31.12.21	2.7041
	31.12.22	2.4845
	31.12.23	2.8093
	31.12.24	2.8542
Class 'G'[c]	31.12.20	0.8669
	31.12.21	2.7525
	31.12.22	2.5352
	31.12.23	2.8542
	31.12.24	2.8958

Fund statistics

The net distributable income allocated to one Income Share in issue for each of the last five financial years is set out below:

Income (continued)

Share class	Financial year ended	Income €
Class 'X'	31.07.20	2.4186
	31.12.20[c]	1.4235
	31.12.21	2.5398
	31.12.22	2.3108
	31.12.23	2.6577
	31.12.24	2.7139

[a] Class 'E' Shares were first issued on 1 January 2019 and fully converted to other share classes on 1 July 2019. The shares under this share class were re-issued on 1 January 2020 and subsequently on 1 July 2022 for Class 'E' Accumulated Shares.

[b] Class 'F' Shares were first issued on 1 January 2019.

[c] Class 'G' Shares were first issued on 1 October 2020.

[d] The financial period which commenced on 1 August 2020 and ended on 31 December 2020.

The annualised dividend yield for the 12 months ending on the dates in the below table (total dividend per Income Share as a percentage of the average NAV per Share of Income Shares) were:

Yield (12 months annualised)

Income share class	31.12.24	31.12.23
Class 'C'	3.1%	2.7%
Class 'E'[a]	3.4%	3.0%
Class 'F'[b]	3.5%	3.1%
Class 'G'[c]	3.5%	3.1%
Class 'X'	3.3%	2.9%

[a] Class 'E' Shares were first issued on 1 January 2019 and fully converted to other share classes on 1 July 2019. The shares under this share class were re-issued on 1 January 2020 and subsequently on 1 July 2022 for Class 'E' Accumulated Shares.

[b] Class 'F' Shares were first issued on 1 January 2019.

[c] Class 'G' Shares were first issued on 1 October 2020.

Fund statistics

NAV per Share and number of shares in issue as at 31 December 2024

	As at	NAV per Share		Number of shares in issue	
		Income shares €	Accumulation shares €	Income shares	Accumulation shares
Class 'C'	31.07.07	104.39	–	4,533,894.11	–
	31.07.08	101.83	107.08	4,699,025.95	235,260.30
	31.07.09	79.25	86.94	4,451,470.90	251,434.26
	31.07.10	78.47	90.47	4,452,175.44	416,386.35
	31.07.11	80.51	96.63	4,336,168.37	355,146.41
	31.07.12	80.42	100.66	5,406,209.31	317,582.86
	31.07.13	78.19	101.81	5,709,409.47	317,248.85
	31.07.14	77.27	104.73	5,802,402.85	365,590.20
	31.07.15	79.70	112.21	6,328,125.03	392,663.57
	31.07.16	83.83	121.68	457,591.47	2,173,198.59
	31.07.17	87.73	131.28	461,398.76	300,990.34
	31.07.18	90.03	138.57	644,490.96	350,446.30
	31.07.19	92.74	146.28	539,015.91	145,993.39
	31.07.20	94.90	153.20	497,875.17	174,129.65
	31.12.20	95.14	155.75	529,693.307	187,948.742
	31.12.21	100.19	167.94	320,737.806	257,907.624
	31.12.22	94.33	161.45	297,045.968	310,965.976
	31.12.23	83.80	147.47	232,820.215	159,490.027
	31.12.24	82.35	149.44	304,312.840	159,490.027
Class 'E'[a]	31.07.20	94.86	–	685,072.04	–
	31.12.20	95.10	–	896,462.652	–
	31.12.21	100.14	–	1,618,917.725	–
	31.12.22	94.28	171.48	3,330,824.181	13,642.631
	31.12.23	83.76	157.10	3,244,857.948	132,700.006
	31.12.24	82.31	159.67	3,262,732.232	132,700.006
Class 'F'[b]	31.07.19	92.51	149.60	14,587,799.55	4,476,809.49
	31.07.20	94.67	157.30	17,929,901.64	4,216,517.76
	31.12.20	94.91	160.19	9,059,991.208	1,865,072.919
	31.12.21	99.94	173.41	11,831,996.143	2,179,356.345
	31.12.22	94.09	167.39	12,697,900.311	2,296,929.943
	31.12.23	83.59	153.51	13,153,631.587	1,937,533.070
	31.12.24	82.14	156.18	11,263,458.835	2,658,551.931

Fund statistics

NAV per Share and number of shares in issue as at 31 December 2024 (continued)

	As at	NAV per Share		Number of shares in issue	
		Income shares €	Accumulation shares €	Income shares	Accumulation shares
Class 'G'[c]	31.12.20	94.91	160.21	10,660,759.266	1,663,622.585
	31.12.21	99.94	173.51	10,660,759.266	1,663,622.585
	31.12.22	94.09	167.57	11,754,060.939	1,935,744.217
	31.12.23	83.59	153.75	11,754,060.939	3,803,255.714
	31.12.24	82.14	156.51	11,754,060.939	4,301,375.929
Class 'X'[d]	31.07.11	80.50	96.78	479,280.71	273,506.73
	31.07.12	80.39	101.07	1,542,820.97	271,724.03
	31.07.13	78.16	102.47	1,610,731.48	784,554.82
	31.07.14	77.25	105.68	1,750,639.25	869,983.56
	31.07.15	79.67	113.51	2,719,765.01	1,023,008.68
	31.07.16	83.78	123.39	4,065,928.55	5,332,002.02
	31.07.17	87.67	133.49	4,384,733.09	11,554,733.32
	31.07.18	89.99	141.25	5,439,742.33	12,886,301.06
	31.07.19	92.70	149.44	4,061,619.99	2,277,293.86
	31.07.20	94.86	156.86	5,323,563.04	1,370,864.13
	31.12.20	95.11	159.63	5,323,563.036	1,408,606.055
	31.12.21	100.15	172.51	5,631,764.675	1,533,916.340
	31.12.22	94.29	166.22	6,417,473.594	1,932,154.270
	31.12.23	83.76	152.17	5,344,767.295	1,403,688.514
	31.12.24	82.32	154.55	5,344,767.295	1,386,048.377

[a] Class 'E' Shares were first issued on 1 January 2019 and fully converted to other share classes on 1 July 2019. The shares under this share class were re-issued on 1 January 2020 and subsequently on 1 July 2022 for Class 'E' Accumulated Shares.

[b] Class 'F' Shares were first issued on 1 January 2019.

[c] Class 'G' Shares were first issued on 1 October 2020.

[d] Class 'X' Shares were first issued on 1 February 2011.

Fund statistics

NAV of the Fund

As at	€'000
31.07.07	514,489
31.07.08	542,429
31.07.09	399,816
31.07.10	390,665
31.07.11	451,935
31.07.12	621,108
31.07.13	687,579
31.07.14	713,827
31.07.15	881,214
31.07.16	1,301,365
31.07.17	2,006,816
31.07.18	2,416,315
31.07.19	2,807,501
31.07.20	3,219,694
31.12.20	3,333,138
31.12.21	3,980,773
31.12.22	4,330,490
31.12.23	3,961,117
31.12.24	3,971,990

Top 10 tenants

Tenant	% of Passing rent of the Fund
WPP Services Spain, S.L.	4.2%
Continente Hipermercados, S.A.	3.1%
Ahyper 1	2.8%
Bundesanstalt für Immobilienaufgaben Anstalt des öffentlichen Rechts	2.5%
REWE Markt GmbH	2.1%
PostNord AB	2.0%
TEDDY SPA	1.9%
FIDELIDADE – COMPANHIA DE SEGUROS, S.A.	1.9%
DP World Logistics Netherlands B.V.	1.6%
Alma-Media Oyj	1.6%
Total	**23.9%**[a]

[a] May not sum properly due to rounding.

Economic group	% of Passing rent of the Fund
Other	1.3%
Communications	7.5%
Consumer Discretionary	28.2%
Consumer Staples	12.1%
Energy	1.8%
Financials	9.2%
Government	1.5%
Health Care	3.8%
Industrials	15.7%
Materials	0.8%
Real Estate	5.5%
Residential	8.6%
Technology	2.6%
Unclassifiable	1.5%
Utilities	0.0%
Total	**100.0%**[a]

[a] May not sum to 100% due to rounding.

Fund statistics

Senior debt summary as at 31 December 2024

Borrower	Lender	Principal €	Interest rate per annum %	Maturity date	Years to maturity	LTV %	ICR covenant %	ICR %
Alvar Aallon katu 3	SEB	40,250,000	0.80	28.01.25	0.08	48.44	350.00	1,423.45
Vimmelskaftet 30, Klosterstraede 1[a]	Danske Bank	13,204,511	0.54	01.04.26	1.25	52.24	–	–
Market Central Da Vinci[b]	ING/BayernLB	29,550,000	3.40	05.08.26	1.59	24.32	–	–
Dreieich Nordpark	Berlin Hyp	20,000,000	0.78	09.07.25	0.52	31.30	350.00	1,656.78
Rios Rosas 26	Caixabank	83,500,000	2.10	29.09.26	1.74	40.14	130.00	481.15
BIG Shopping[a]	Danske Bank	58,332,104	3.78	19.01.26	1.05	41.08	–	–
Vimmelskaftet 32-34[a]	Danske Bank	16,762,099	0.53	30.06.45	0.25	75.76	–	–
Total/Average:		**261,598,714**	**2.16**		**1.10**	**42.06**	**122.10**	**499.26**

[a] Principal amount converted at a rate of DKK7.45:€1 as at 31.12.24.

[b] Total debt in MCF S.r.l. is €59.1m, of which the Fund has a 50% joint venture interest.

Fund statistics

Fee metrics

The Total Global Expense Ratio ('TGER') expresses Fund level costs over the 12-month reporting period as a proportion of average INREV NAV and average INREV GAV. Fee metrics have been prepared on a look-through basis. Rebate arrangement exist within the Fund under the provisions of the vehicle documents.

Fund operating expenses	31.12.24 €'000	31.12.23 €'000
Annual management fees	18,565	19,694
Asset management fees	9,691	11,060
Domiciliation and administration fees	3,452	3,516
Audit fees	1,799	1,448
Depositary fees	308	310
Directors' fees	228	220
Professional fees	2,645	4,105
Valuation fees	642	729
Other operating expenses	771	1,342
Total Fund operating expenses	**38,101**	**42,424**
Subscription tax	387	421
Income tax, including withholding tax and net wealth tax	11,187	10,082
Deferred tax	17,069	(29,257)
Total Fund operating expenses after tax	**66,744**	**23,670**
Average INREV NAV	3,988,950	4,259,656
TGER (total Fund operating expenses/average INREV NAV)	**0.96%**	**1.00%**
Average INREV GAV	4,559,773	4,928,087
TGER (total Fund operating expenses/average GAV)	**0.84%**	**0.86%**
TGER after tax (total Fund operating expenses after tax/average INREV GAV)	**1.46%**	**0.48%**

The Real Estate Expense Ratio ('REER') expresses property investment-level costs over a 12-month period as a proportion of average INREV GAV and average INREV NAV.

Property operating expenses	31.12.24 €'000	31.12.23 €'000
Amortisation of acquisition costs	9,518	10,854
Property management fees	4,654	5,029
Professional fees	533	348
Property insurance	2,794	2,223
Non-recoverable costs	19,816	16,838
Total property operating expenses[3]	**37,315**	**35,292**
Average INREV NAV	3,988,950	4,259,656
REER (total property operating expenses/closing INREV NAV)	**0.94%**	**0.83%**
Average INREV GAV	4,559,773	4,928,087
REER (total property operating expenses/closing GAV)	**0.82%**	**0.72%**

[3] Comprises property operating expenses per the Consolidated income statement less service charge recoveries.

Fund statistics

Forward looking fee metrics

Forward looking TGER computed as a percentage of the INREV NAV of the Fund attributable to Class 'C', Class 'E', Class 'F', Class 'G' and Class 'X' as at 31 December 2024:

Fund level costs	Class 'C' Shares	Class 'E' Shares	Class 'F' Shares	Class 'G' Shares	Class 'X' Shares
Management fees	0.86%	0.56%	0.46%	0.41%	0.64%
Asset management fees	0.24%	0.24%	0.24%	0.24%	0.24%
Domiciliation and administration fees	0.09%	0.09%	0.09%	0.09%	0.09%
Audit fees	0.05%	0.05%	0.05%	0.05%	0.05%
Depositary fees	0.01%	0.01%	0.01%	0.01%	0.01%
Directors' fees	0.01%	0.01%	0.01%	0.01%	0.01%
Professional fees	0.07%	0.07%	0.07%	0.07%	0.07%
Valuation fees	0.02%	0.02%	0.02%	0.02%	0.02%
Other operating expenses	0.02%	0.02%	0.02%	0.02%	0.02%
TGER	**1.37%**	**1.07%**	**0.97%**	**0.92%**	**1.15%**
Subscription tax	0.01%	0.01%	0.01%	0.01%	0.01%
Income tax, including withholding tax and net wealth tax	0.28%	0.28%	0.28%	0.28%	0.28%
TGER after Tax	**1.66%**	**1.36%**	**1.26%**	**1.21%**	**1.44%**

Fund statistics

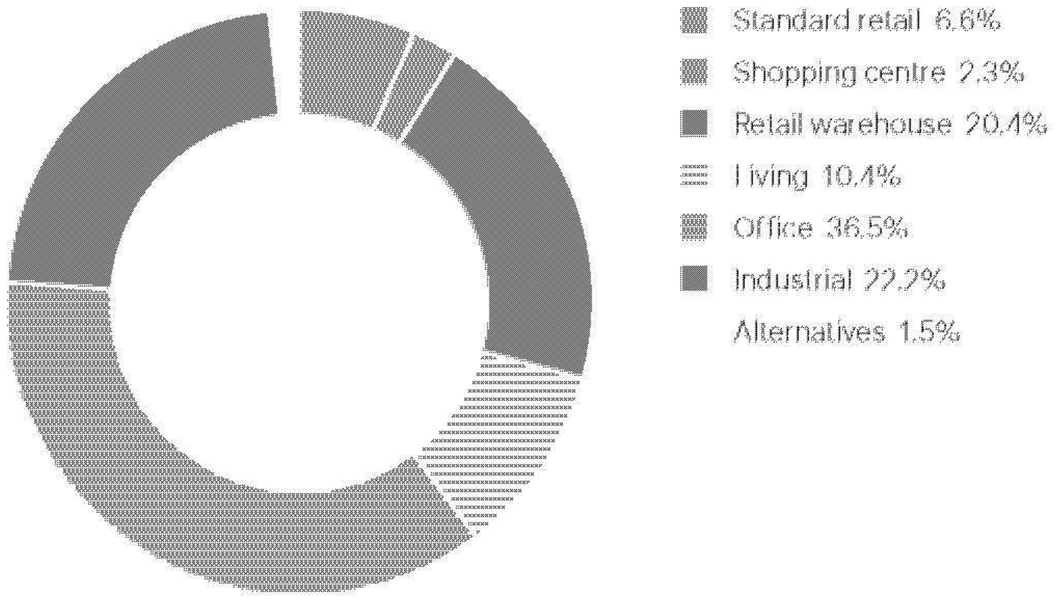
Forward looking REER computed as a percentage of the INREV NAV of the Fund as at 31 December 2024:

Property level costs	2024
Amortisation of acquisition costs	0.24%
Property management fees	0.12%
Professional fees	0.01%
Property insurance	0.07%
Non-recoverable costs	0.50%
REER	**0.94%**

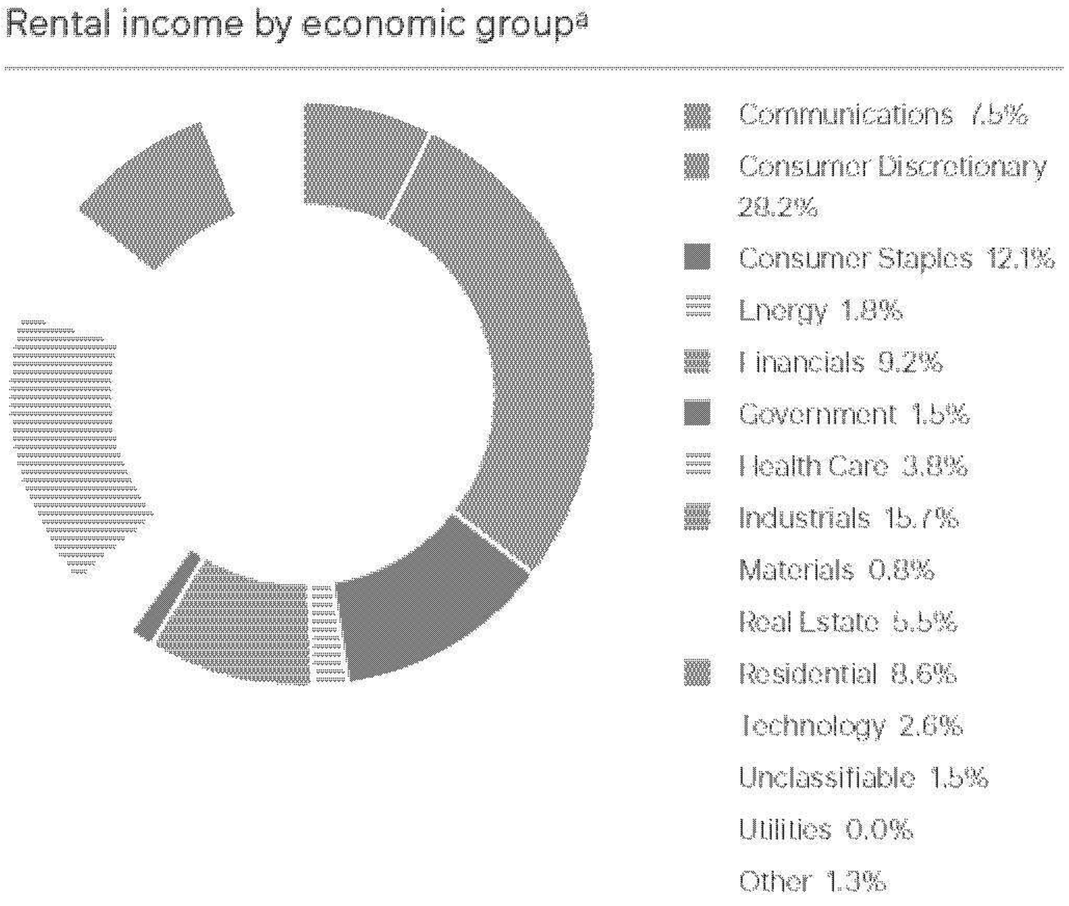
The projected expense ratios are estimated by the Fund's management based on the information available and the conditions existing as at the date of this report. Actual expenses can vary significantly from the projected estimates.

Rebate arrangement exist within the Fund under the provisions of the vehicle documents.

Rental income by property sector[a]



Rental income by economic group[a]



[a] May not sum to 100% due to rounding.

Fund statistics

Statistical data in relation to real estate assets

12 month returns as at 31 December 2024 – property returns measured in local currency for assets held for 12 months or longer.

Asset name	Country	Capital return %	Income return %	Total return %
Galerie Toison d'Or	Belgium	0.00%	0.13%	0.13%
Guimard 1	Belgium	-12.28%	7.04%	-6.05%
Vimmelskaftet 32-34	Denmark	-5.71%	5.70%	-0.31%
Vimmelskaftet 30	Denmark	3.61%	4.90%	8.68%
Kalvebod Brygge 47	Denmark	7.00%	2.36%	9.53%
Ullsvej 5	Denmark	14.52%	5.37%	20.59%
Nordager 1-3	Denmark	7.95%	2.80%	10.93%
Blangstedgardsvej 11-25	Denmark	3.45%	7.88%	11.57%
Klosterstraede 1	Denmark	-2.44%	0.00%	-2.44%
BIG Shopping	Denmark	0.09%	6.94%	7.04%
Valimotie 18	Finland	4.56%	7.22%	12.08%
Vilhonvuorenkatu 2 – 4	Finland	-9.65%	6.31%	-3.90%
Vilhonvuorenkatu 6	Finland	-14.67%	6.89%	-8.71%
Alvar Aallon katu 3	Finland	-11.56%	5.25%	-6.87%
Espoon Centaurus	Finland	-3.45%	3.31%	-0.24%
Espoon Helavalkea	Finland	-0.46%	2.97%	2.50%
Espoon Loru	Finland	0.46%	2.75%	3.22%
Kauniaisten Markiisi	Finland	0.70%	3.02%	3.74%
Vantaan Suitsu	Finland	2.26%	3.29%	5.62%
Kirkkonummen Tolsan Rinne 2	Finland	0.11%	3.29%	3.40%
Nurmijärven Kauranjyvä	Finland	-2.22%	4.33%	2.02%
Sipoon Ruusunen	Finland	-2.78%	3.82%	0.95%
Tampereen Rehtori	Finland	3.26%	3.83%	7.21%
Turun Beeta	Finland	-3.13%	3.61%	0.38%
Hämeenlinnan Vaihdepäällikkö	Finland	2.08%	4.24%	6.41%
Rue De La Republique	France	7.72%	5.42%	13.52%
Le Plessis Belleville	France	-9.10%	5.85%	-3.75%
Nauberg SCI	France	-10.62%	7.06%	-4.24%
Rue d'Antibes	France	-10.40%	5.63%	-5.31%
Rue de Rennes	France	-11.05%	4.64%	-6.87%
Fresenius Unit	France	2.80%	6.17%	9.13%

Fund statistics

Statistical data in relation to real estate assets (continued)

Asset name	Country	Capital return %	Income return %	Total return %
Petit Bateau	France	1.20%	6.55%	7.83%
3 Avenue Hoche SCI	France	4.21%	-1.44%	2.71%
Greenwalk	France	-1.59%	4.00%	2.34%
Les Essentielles RSS Levallois	France	-1.66%	4.56%	2.83%
Les Boreales	France	-16.30%	1.77%	-14.81%
Auchan Marseille	France	3.01%	6.19%	9.37%
Clichy Rue du 8 Mars	France	-0.62%	1.74%	1.10%
Aurientis Aix-en-Provence	France	-1.39%	1.19%	-0.22%
Intermarché Albertville	France	-1.30%	6.55%	5.18%
Auchan Montpellier	France	6.07%	5.88%	12.25%
Rio	France	1.51%	3.60%	5.16%
Lambres Lez Douai	France	9.34%	4.90%	14.66%
Greenlog Poupry	France	-15.17%	0.00%	-15.17%
One Log Meung	France	-11.96%	0.00%	-11.96%
Ringstrasse	Germany	-0.37%	4.65%	4.26%
Oval Baseler Str.	Germany	-1.75%	3.95%	2.14%
Rinteln Edeka	Germany	-0.17%	4.09%	3.92%
Neuwied Rewe	Germany	-18.50%	4.89%	-14.44%
Wuppertal Edeka	Germany	-6.78%	3.68%	-3.31%
Dreieich Nordpark	Germany	0.22%	5.49%	5.72%
Ridlerstrasse 55	Germany	-15.30%	6.58%	-9.66%
LuisenForum	Germany	-10.26%	4.63%	-6.06%
Badensche Strasse 23-24	Germany	1.84%	5.03%	6.96%
Fürst & Friedrich Düsseldorf	Germany	-2.18%	5.26%	2.97%
Otto Warehouse Karlsruhe	Germany	-2.43%	5.69%	3.13%
Aurum Radlkoferstr.	Germany	-2.28%	4.52%	2.14%
Weidenquartier	Germany	0.96%	2.81%	3.79%
Via Torino	Italy	-0.49%	4.48%	3.97%
Market Central Da Vinci	Italy	-0.56%	5.13%	4.55%
L14	Italy	-0.84%	6.42%	5.53%
Vescovana Logistics	Italy	-2.12%	5.53%	3.30%
Via Pola	Italy	-2.47%	4.04%	1.48%
Vescovana Building extension	Italy	-4.27%	0.33%	-3.95%
Da Vinci	Luxembourg	-5.91%	5.99%	-0.25%

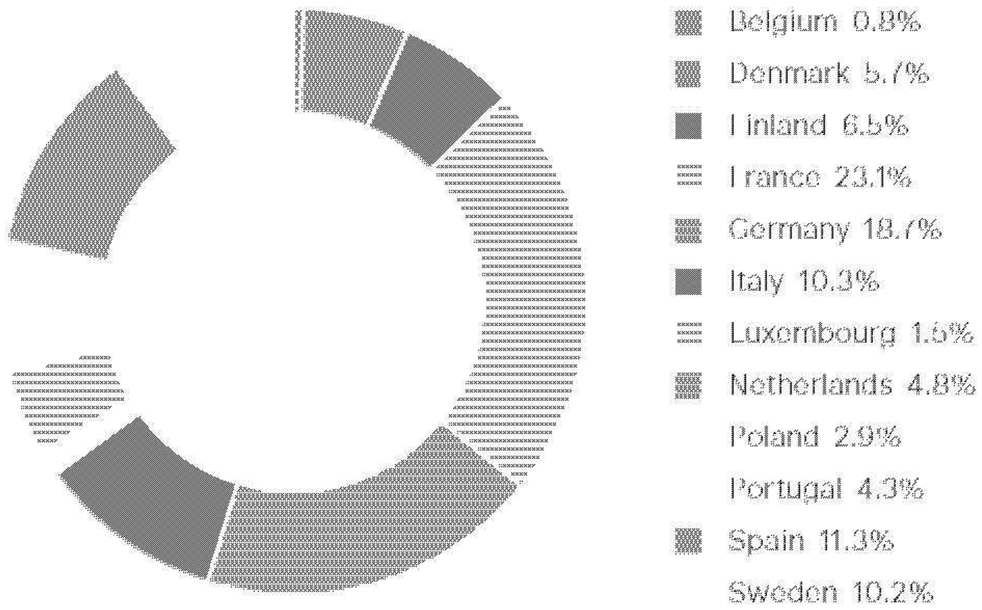
Fund statistics

Statistical data in relation to real estate assets (continued)

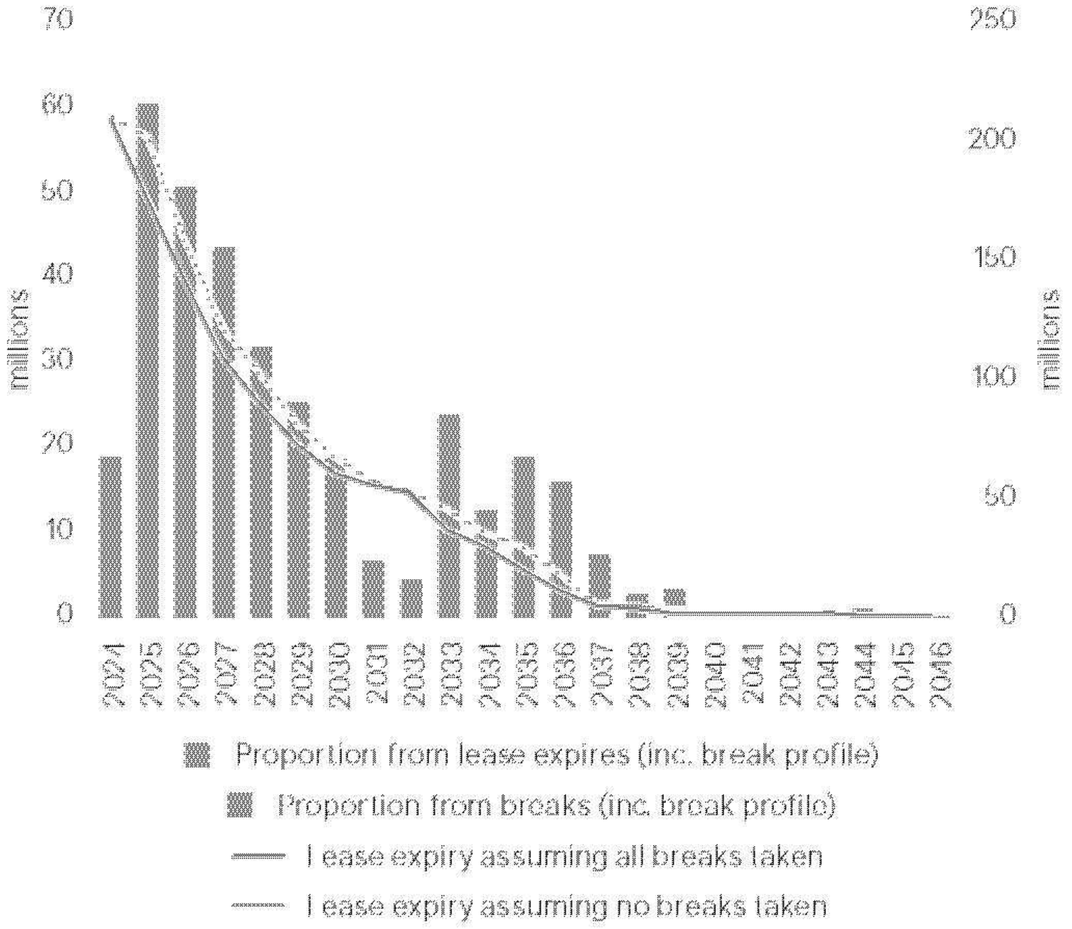
Asset name	Country	Capital return %	Income return %	Total return %
Jupiter House	the Netherlands	-27.86%	-0.87%	-28.46%
Staalsteden	the Netherlands	-1.94%	7.54%	5.47%
Frederiksplein 42	the Netherlands	-5.83%	2.96%	-3.01%
Van Hilststraat 23	the Netherlands	3.32%	4.84%	8.31%
7even	the Netherlands	-0.49%	4.31%	3.80%
Transportweg	the Netherlands	1.08%	5.37%	6.49%
Hags Logistics Centre	Poland	-0.74%	6.78%	5.99%
Decathlon Logistics Centre	Poland	-3.86%	5.51%	1.46%
Park Poznan West II	Poland	-7.90%	4.09%	-4.10%
Park Warsaw – Konotopa	Poland	2.69%	5.49%	8.31%
Continente Telheiras	Portugal	1.00%	5.58%	6.63%
Continente Maia	Portugal	-2.73%	6.28%	3.39%
Continente Beja	Portugal	7.40%	7.04%	14.92%
Continente Modelo	Portugal	0.70%	7.09%	7.83%
Alexandre Herculano 53	Portugal	16.50%	7.36%	24.96%
Rios Rosas 26	Spain	2.92%	4.56%	7.60%
Gran Vía 68	Spain	1.55%	6.26%	7.89%
Teka Logistics	Spain	1.58%	5.44%	7.10%
Flex Logistics	Spain	-0.28%	0.00%	-0.28%
Los Gavilanes Logistics Hub	Spain	-0.35%	3.96%	3.59%
Madera 25	Spain	22.44%	4.37%	27.70%
Ontigola Logistics Platform	Spain	-4.71%	5.79%	0.82%
Project Marina	Spain	-0.36%	0.19%	-0.17%
Paradiset	Sweden	-7.10%	6.43%	-1.09%
Arendal	Sweden	3.19%	4.59%	7.90%
Blekholmen	Sweden	13.19%	3.54%	17.15%
Lyckobrunnen	Sweden	0.92%	4.26%	5.22%
Myren 6 & 8	Sweden	2.35%	5.57%	8.03%
Postnord Logistics	Sweden	-0.03%	5.56%	5.53%

Fund statistics

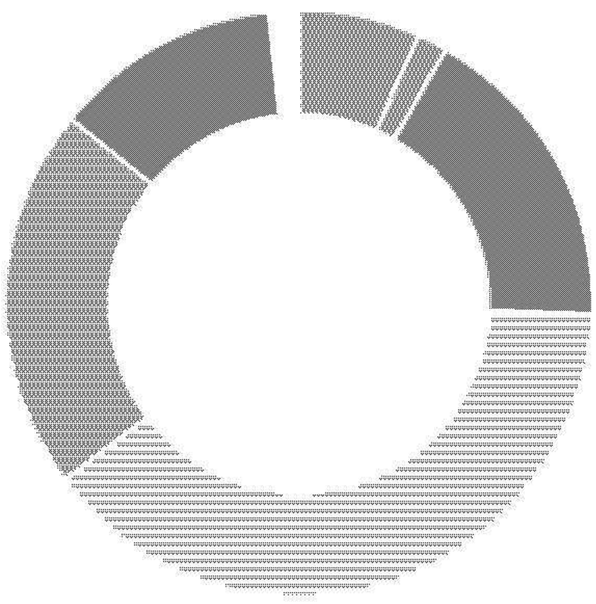
Portfolio geographic allocation[a]



Lease expiry (EUR)



Portfolio sector allocation[a]



[a] May not sum to 100% due to rounding.

Fund statistics

Statistical data in relation to real estate assets

Asset name	Location	Country	Total property income[3][8]			Net initial yield	Net reversionary	Capital value[5]			Annual gross income		
			12 months to 31 December 2024 €'000	12 months to 31 December 2023 €'000	Movement	as at 31.12.24	yield as at 31.12.24	as at 31.12.24	as at 31.12.23	Movement	as at 31.12.24	as at 31.12.23	Movement
Cortenbergh 71[1]	Brussels	Belgium	-	1,059	(100.00%)	-	-	-	-	-	-	-	-
Galerie Toison d'Or[3]	Brussels	Belgium	508	4,434	(88.51%)	-	-	-	41,000	(100.00%)	-	3,423	-
Guimard 1	Brussels	Belgium	2,881	2,764	4.22%	4.30%	5.35%	30,350	34,600	(12.28%)	2,168	2,088	(3.83%)
BIG Shopping	Copenhagen	Denmark	11,689	10,245	14.10%	6.49%	6.05%	142,008	141,925	0.06%	72,212	71,044	(1.64%)
Blangstedgardsvej 11-25	Odense	Denmark	1,654	1,514	9.21%	7.59%	6.79%	20,115	19,451	3.41%	11,461	11,393	(0.60%)
Kalvebod Brygge 47[1]	Copenhagen	Denmark	1,975	4,982	(60.36%)	-	-	-	75,121	(100.00%)	-	35,041	-
Klosterstræde 1[4]	Copenhagen	Denmark	(2)	-	-	-	-	-	2,213	(100.00%)	-	-	-
Nordager 1-3[3]	Kolding	Denmark	1,303	2,422	(46.22%)	-	-	-	40,914	(100.00%)	-	17,173	-
Ullsvej 5	Koge	Denmark	1,051	991	6.07%	5.00%	5.24%	19,042	16,634	14.47%	7,181	7,139	(0.60%)
Vimmelskaftet 30	Copenhagen	Denmark	1,240	1,521	(18.48%)	4.67%	4.64%	23,065	22,268	3.58%	8,249	8,200	(0.60%)
Vimmelskaftet 32-34	Copenhagen	Denmark	1,512	1,459	3.62%	5.86%	4.95%	22,126	23,475	(5.75%)	12,183	12,236	0.44%
Alvar Aallon katu 3	Helsinki	Finland	5,425	4,944	9.74%	4.24%	5.27%	83,100	93,900	(11.50%)	4,528	5,288	14.36%
Espoon Centaurus	Espoo/Olari	Finland	849	849	0.03%	4.35%	4.35%	16,800	17,400	(3.45%)	926	891	(3.88%)
Espoon Helavalkea	Espoo/Pohjois-Tapiola	Finland	1,017	820	24.00%	4.25%	4.25%	21,500	21,600	(0.46%)	1,671	1,936	(3.40%)
Espoon Loru	Espoo	Finland	995	1,002	(0.69%)	4.30%	4.30%	21,725	21,625	0.46%	1,116	1,073	(4.06%)
Hämeenlinnan Vaihdepäällikkö	Hämeenlinna	Finland	319	307	3.70%	4.90%	4.90%	4,900	4,800	2.08%	315	291	(8.38%)
Kauniaisten Markkisi	Kauniaisen	Finland	572	600	11.95%	4.25%	4.25%	14,400	14,300	0.70%	735	707	(3.84%)
Kirkkonummen Tolsan Rinne 2	Kirkkonummi	Finland	454	444	2.46%	4.65%	4.65%	9,040	9,030	0.11%	513	497	(3.24%)
Nurmijärven Kauranäyvä	Nurmijärvi	Finland	280	273	2.33%	4.90%	4.90%	4,490	4,500	(2.22%)	295	277	(6.20%)
Sipoon Ruusunen	Sipoo	Finland	396	412	(3.80%)	4.90%	4.90%	7,000	7,200	(2.78%)	433	416	(4.17%)
Tampereen Rehtori	Tampere	Finland	552	527	4.74%	4.50%	4.50%	9,500	9,200	3.26%	559	522	(7.07%)

Fund statistics

Statistical data in relation to real estate assets (continued)

Asset name	Location	Country	Total property income[a][b] 12 months to 31 December 2024 £'000	12 months to 31 December 2023 £'000	Movement	Net initial yield as at 31.12.24	Net reversionary yield as at 31.12.24	Capital value[c] as at 31.12.24 £'000	as at 31.12.23 £'000	Movement	Annual gross income as at 31.12.24 £'000	as at 31.12.23 £'000	Movement
Turun Beeta	Turku	Finland	357	353	(1.61%)	4.60%	4.60%	6,200	6,400	(3.13%)	367	346	(5.99%)
Vantaa Retail Park	Helsinki	Finland	2,248	2,232	0.72%	7.54%	6.75%	24,600	23,400	5.13%	1,938	1,897	(2.13%)
Vantaan Suitsu	Vantaa	Finland	612	635	(3.58%)	4.40%	4.40%	13,600	13,300	2.26%	710	678	(4.71%)
Vilhonvuorenkatu 2-4	Helsinki	Finland	1,608	1,521	5.71%	6.32%	5.97%	14,500	16,000	(9.38%)	1,449	1,383	(4.84%)
Vilhonvuorenkatu 6	Helsinki	Finland	854	855	(0.20%)	6.37%	6.15%	7,700	9,000	(14.44%)	849	810	(4.84%)
Alphonse de Neuville[f]	Paris	France	-	572	(100.00%)	-	-	-	-	-	-	-	-
Aurientis Aix-En-Provence[i]	Aix en Provence	France	290	-	-	4.54%	4.64%	22,640	19,900	13.77%	1,103	1,103	0.00%
Avenue Hoche 3	Paris	France	(117)	3,099	(103.77%)	(0.47%)	5.82%	53,700	50,700	5.92%	-	2,503	100.00%
Casino Albertville	Albertville	France	2,314	3,178	(27.21%)	6.20%	5.87%	28,030	28,400	(1.30%)	2,008	1,935	(3.73%)
Casino Marseille	Marseille	France	5,842	8,281	(29.45%)	6.04%	5.57%	64,900	63,000	3.02%	4,333	4,143	(4.58%)
Casino Montpellier	MONTPELLIER	France	2,476	2,692	(8.06%)	5.78%	5.73%	30,760	29,000	6.07%	1,935	1,827	(5.95%)
Ennery Complex	Metz	France	2,859	2,705	4.97%	7.57%	6.95%	33,070	37,000	(10.62%)	2,745	2,628	(4.45%)
Fresenius Unit	Heudebouville	France	1,360	1,252	8.59%	6.05%	5.65%	19,840	19,300	2.80%	1,294	1,231	(5.09%)
Greenwalk	Paris	France	8,314	10,768	(22.79%)	6.68%	7.32%	92,060	92,800	(0.86%)	7,442	7,104	(4.75%)
Le Plessis Belleville	Paris	France	1,953	1,792	8.99%	6.29%	5.48%	26,270	28,900	(9.10%)	1,750	1,658	(5.55%)
Les Boréales, Clichy la Garenne[h]	Clichy sur Seine	France	1,849	-	-	4.05%	4.05%	89,900	71,415	(2.12%)	3,116	3,472	10.25%
Les Essentielles RSS Levallois	Paris	France	1,923	1,837	4.71%	4.80%	4.80%	39,140	39,800	(1.66%)	1,917	1,809	(5.97%)
Petit Bateau	Troyes	France	2,089	2,048	2.46%	6.21%	6.18%	31,170	30,800	1.20%	2,101	1,980	(6.12%)
Rue d'Antibes	Cannes	France	2,252	2,124	6.02%	5.10%	5.25%	38,350	42,800	(10.40%)	2,124	2,073	(2.47%)
Rue de la Republique	Lyon	France	2,751	2,621	4.94%	5.41%	5.23%	45,680	42,400	7.74%	2,593	2,557	(5.30%)
Rue de Rennes	Paris	France	2,263	1,864	21.44%	4.55%	4.85%	41,630	46,800	(11.05%)	2,066	2,160	4.37%

Fund statistics

Statistical data in relation to real estate assets (continued)

Asset name	Location	Country	Total property income[a][b] 12 months to 31 December 2024 £'000	Total property income[a][b] 12 months to 31 December 2023 £'000	Movement	Net initial yield as at 31.12.24	Net reversionary yield as at 31.12.24	Capital value[a] as at 31.12.24	Capital value[a] as at 31.12.23	Movement	Annual gross income as at 31.12.24	Annual gross income as at 31.12.23	Movement
Rue du 19 Mars 1962, Clichy[c]	Clichy sur Seine	France	-	-	-	4.08%	4.25%	22,490	19,510	15.27%	982	982	0.00%
2 place Rio de Janeiro, Paris	Paris	France	9,678	8,877	9.02%	4.41%	4.19%	201,100	198,100	1.51%	9,053	8,583	(5.47%)
Lambres-Lez-Douai[c]	Lambres Lez Douai	France	2,215	-	-	3.62%	5.51%	45,190	40,020	12.92%	1,673	2,359	29.03%
Greenlog Poupry[d]	Poupry	France	-	-	-	(1.18%)	6.53%	4,726	-	-	-	-	-
One Log Meung[d]	Poupry	France	-	-	-	5.27%	5.21%	5,184	-	-	-	-	-
Aurum	Munich	Germany	3,519	3,217	9.37%	4.48%	5.11%	65,200	66,100	(1.36%)	3,383	3,450	1.93%
Badensche Strasse 23-24	Berlin	Germany	7,623	7,053	8.08%	4.49%	4.68%	112,500	116,500	(3.52%)	5,603	5,712	1.92%
Fürst & Friedrich	Düsseldorf	Germany	7,287	6,617	10.12%	4.03%	4.63%	99,300	101,400	(2.07%)	4,686	5,147	8.94%
Luisen Forum	Wiesbaden	Germany	8,471	8,928	(5.12%)	6.83%	7.39%	70,800	78,300	(9.58%)	6,270	6,168	(1.65%)
Marktkauf Hypermarket	Rhtein	Germany	1,361	1,252	8.74%	4.34%	4.34%	25,400	25,400	0.00%	1,344	1,344	0.00%
Nordpark	Dreieich	Germany	5,203	4,381	18.76%	5.58%	5.06%	63,900	62,300	2.57%	4,037	3,925	(2.85%)
Otto Warehouse	Karlsruhe	Germany	2,259	1,653	38.47%	5.69%	5.21%	33,400	34,200	(2.34%)	2,074	2,014	(3.00%)
Oval	Frankfurt	Germany	4,754	3,828	24.20%	5.02%	5.18%	79,800	80,300	(0.62%)	4,698	4,708	0.20%
Real Hypermarket	Wuppertal	Germany	1,303	1,615	(19.31%)	4.70%	4.70%	18,400	19,700	(6.60%)	960	1,469	34.63%
Ridlerstrasse 55[d]	Munich	Germany	2,923	2,618	11.63%	-	-	-	42,800	(100.00%)	-	2,478	100.00%
Ringstrasse	Berlin	Germany	3,433	3,397	1.08%	4.47%	4.39%	65,200	65,200	0.00%	3,186	3,186	0.00%
Tcom Hypermarket	Neuwied	Germany	1,430	1,315	8.77%	8.13%	5.87%	14,100	17,300	(18.50%)	1,296	1,296	0.00%
Bad Homburg - Victoria Gaarten - BF1[d]	Bad Homburg	Germany	4,603	1,537	199.45%	3.39%	3.71%	94,900	94,000	0.96%	3,699	2,710	(36.48%)
Market Central Da Vinci[e]	Rome	Italy	19,046	18,539	2.74%	6.33%	6.43%	121,500	109,100	11.37%	8,483	7,292	(16.34%)
L14[e]	Rome	Italy	6,770	6,229	8.69%	6.75%	6.57%	38,200	34,700	10.09%	2,949	2,574	(14.57%)
Vescovana Logistics	Padova	Italy	1,816	1,700	6.80%	5.35%	6.16%	27,700	28,300	(2.12%)	1,680	1,670	(0.60%)

Fund statistics

Statistical data in relation to real estate assets (continued)

Asset name	Location	Country	Total property income[3,5] 12 months to 31 December 2024 £'000	12 months to 31 December 2023 £'000	Movement	Net initial yield as at 31.12.24	Net reversionary yield as at 31.12.24	Capital value[4] as at 31.12.24	as at 31.12.23	Movement	Annual gross income as at 31.12.24	as at 31.12.23	Movement
Vescovana, Padova - Viale Europa 13[1]	Padova	Italy	-	-	-	5.70%	5.63%	13,100	-	-	858	-	-
Via Pola	Milan	Italy	6,508	6,633	(1.89%)	4.77%	4.91%	126,700	129,900	(2.46%)	6,832	6,802	(0.44%)
Via Torino	Milan	Italy	3,940	3,818	3.20%	4.47%	4.27%	81,500	81,900	(0.49%)	4,042	4,010	(0.80%)
Da Vinci	Luxembourg	Luxembourg	4,866	5,267	(7.60%)	6.89%	6.72%	61,170	65,000	(5.89%)	4,474	4,664	4.07%
Frederiksplein 42[1]	Amsterdam	the Netherlands	541	967	(44.00%)	-	-	-	17,800	(100.00%)	-	947	-
Jupiter House	Amsterdam	the Netherlands	1,483	3,927	(62.24%)	4.59%	8.42%	23,860	32,500	(26.58%)	1,820	2,378	23.49%
Staalsteden	Enschede	the Netherlands	1,869	1,864	0.22%	5.65%	6.23%	26,910	27,150	(0.88%)	2,054	1,985	(3.47%)
Van Hilststraat 23	Waalwijk	the Netherlands	3,469	3,313	4.70%	4.40%	5.40%	67,380	64,500	4.47%	3,646	3,575	(2.00%)
Zeven	Amsterdam	the Netherlands	2,054	1,881	9.17%	4.06%	4.23%	39,530	39,690	(0.40%)	1,999	1,859	(7.52%)
Transportweg, Netherlands	s'Herenberg	the Netherlands	1,801	1,782	1.06%	4.79%	6.25%	31,940	31,600	1.08%	1,901	1,782	(6.69%)
Decathlon Logistics Centre	Lodz	Poland	2,917	1,934	50.84%	6.73%	6.86%	31,520	27,500	14.62%	2,241	1,628	(37.62%)
Panattoni Park	Warsaw	Poland	4,305	3,604	19.46%	7.01%	7.31%	37,410	36,400	2.77%	2,757	1,734	(58.98%)
Panattoni Park West II	Poznan	Poland	1,489	1,481	0.56%	3.76%	7.88%	21,750	23,600	(7.84%)	850	1,657	48.72%
Toy Story Logistics Centre	Sosnowiec	Poland	2,946	2,924	0.76%	6.56%	6.62%	22,500	20,900	7.66%	1,540	1,360	(13.29%)
Alexandre Herculano 53	Lisbon	Portugal	4,198	3,540	18.58%	4.66%	6.25%	59,530	51,100	16.50%	4,308	4,028	(6.94%)
Continente Beja	Beja	Portugal	1,667	1,622	2.78%	6.72%	5.70%	24,380	22,700	7.40%	1,666	1,617	(3.00%)
Continente Maia	Porto	Portugal	1,693	1,645	2.93%	6.09%	6.10%	27,040	27,800	(2.73%)	1,678	1,629	(3.00%)
Continente Modelo Quarteira	Quarteira	Portugal	1,219	1,184	2.98%	6.84%	5.66%	17,420	17,300	0.69%	1,212	1,177	(3.00%)
Continente Telheiras	Lisbon	Portugal	2,351	2,328	0.99%	5.49%	5.87%	42,320	41,900	1.00%	2,363	2,294	(3.00%)
Flex Logistics	Madrid	Spain	-	-	-	(0.08%)	5.44%	21,800	17,300	26.01%	-	-	-
Gran Via 68	Madrid	Spain	1,003	1,021	(1.82%)	4.86%	4.37%	18,990	18,700	1.55%	1,005	1,027	2.15%

Fund statistics

Statistical data in relation to real estate assets (continued)

Asset name	Location	Country	Total property income[a][b] 12 months to 31 December 2024 €'000	12 months to 31 December 2023 €'000	Movement	Net initial yield as at 31.12.24	Net reversionary yield as at 31.12.24	Capital value[c] as at 31.12.24	as at 31.12.23	Movement	Annual gross income as at 31.12.24	as at 31.12.23	Movement
Los Gavilanes Logistics Hub	Madrid	Spain	2,118	2,166	(2.20%)	3.79%	5.64%	33,680	33,800	(0.36%)	1,611	2,080	22.57%
Madera 25	Madrid	Spain	952	452	110.82%	4.71%	6.00%	16,040	13,100	22.44%	841	554	(51.64%)
Ontigola Logistics Platform	Toledo	Spain	2,227	2,206	0.94%	5.84%	5.73%	36,780	38,600	(4.72%)	2,261	2,199	(2.80%)
Rios Rosas 26	Madrid	Spain	10,430	10,091	3.37%	4.32%	5.03%	208,000	202,100	2.92%	9,359	9,087	(3.00%)
Teka Logistics	Madrid	Spain	1,709	1,666	2.59%	5.31%	5.59%	28,950	28,500	1.58%	1,706	1,653	(3.20%)
Project Marina[i]	Valencia	Spain	-	-	-	4.38%	5.31%	82,200	-	-	-	-	-
Arendal	Gothenburg	Sweden	1,851	1,767	4.75%	4.70%	5.35%	36,796	36,649	0.40%	20,744	20,423	(1.57%)
Blekholmen	Stockholm	Sweden	13,444	11,014	22.07%	4.25%	5.14%	229,865	208,399	10.30%	150,059	125,661	(19.42%)
Burlov Centre[j]	Malmo	Sweden	-	420	(100.00%)	-	-	-	-	-	-	-	-
Lyckobrunnen	Stockholm	Sweden	1,101	1,098	0.24%	5.22%	5.15%	19,141	19,492	(1.80%)	12,046	12,046	0.00%
Myren 6 & 8	Stockholm	Sweden	2,631	2,504	5.08%	5.34%	4.67%	45,798	45,991	(0.42%)	29,935	29,669	(0.90%)
Paradiset	Stockholm	Sweden	2,783	2,569	8.37%	6.07%	5.70%	40,030	44,285	(9.61%)	32,686	27,253	(19.94%)
Postmord Logistics	Stockholm	Sweden	1,898	1,780	6.62%	5.40%	6.74%	32,164	33,056	(2.70%)	22,050	21,708	(1.57%)
			264,134	**263,270**	**0.33%**	**5.07%**	**5.48%**	**3,967,936**	**4,064,813**	**(2.38%)**	**562,495**	**587,585**	**(4.27%)**

[a] Rental income for Swedish assets converted at a rate of SEK11.50:€1 as at 31.12.24 (SEK11.19:€1 as at 31.12.23).

[b] Rental income for Danish assets converted at a rate of DKK7.46:€1 as at 31.12.24 (DKK7.46:€1 as at 31.12.23).

[c] Fund valuation principles.

[d] IFRS.

[e] Held as part of the Fund's 50% joint venture interest in MCF S.r.l. and LI4.

[f] Disposed in 2023.

[g] Disposed in 2024.

[h] Practical completion in 2024.

[i] Acquired in 2024.

[j] Practical completion in 2023.

Ernst & Young
Société anonyme

35E, Avenue John F. Kennedy
L-1855 Luxembourg
Tél : +352 42 124 1
www.ey.com/en_lu

B.P. 780
L-2017 Luxembourg
R.C.S. Luxembourg B47771
TVA LU 16063074

Autorisations d'établissement :
00117514/13, 00117514/14, 00117514/15, 00117514/17, 00117514/18, 00117514/19

Shape the future with confidence

Independent auditor's report

To the Shareholders of
M&G European Property Fund SICAV-FIS
16 boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg.

Opinion

We have audited the consolidated financial statements of M&G European Property Fund SICAV-FIS (the "Fund") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in the number of shares issued, the consolidated statement of changes in equity, consolidated statement of cash flows and the consolidated statement of investment properties for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

A member firm of Ernst & Young Global Limited

Shape the future
with confidence

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund and those charged with governance for the consolidated financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors of the Fund is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A member firm of Ernst & Young Global Limited

Shape the future
with confidence

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of Board of Directors of the Fund use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Robert White

Luxembourg, 23 April 2025

A member firm of Ernst & Young Global Limited

Consolidated statement of financial position

As at 31 December 2024

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	As at 31 December 2024	As at 31 December 2023
Assets			
Non-current assets			
Investment properties	2.3, 6, 7	3,528,190	3,781,274
Lease incentives	2.17, 7	43,282	41,878
Investments in joint ventures	2.2, 8	100,901	88,481
Loans to joint ventures	9	34,984	30,746
Loans receivable	2.7, 13	–	25,129
Derivative financial instruments	2.16, 20	1,640	3,615
		3,708,997	**3,971,123**
Current assets			
Accounts receivable	2.6, 4	20,410	20,593
VAT receivable	11	12,170	12,365
Loans receivable	2.7, 13	104,806	60,968
Other current assets	12	47,940	43,610
Cash and cash equivalents	2.8, 14	390,936	359,731
		576,262	**497,267**
Non-current assets classified as held-for-sale	2.21, 31	307,592	113,835
Total assets		**4,592,851**	**4,582,225**
Equity			
Equity attributable to Shareholders of the Fund			
Share capital	2.9, 15	4,193,479	4,154,062
Cumulative foreign currency translation reserve	2.19, 17	(66,155)	(55,909)
Net retained earnings		416,483	746,893
Profit/(loss) for the year		90,989	(330,410)
Accumulated dividends	2.10, 16	(654,289)	(560,591)
Equity attributable to Shareholders of the Fund		**3,980,507**	**3,954,045**
Non-controlling interests in subsidiaries		**8,481**	**5,548**
Total equity		**3,988,988**	**3,959,593**
Liabilities			
Non-current liabilities			
Interest bearing bank loans and borrowings, net of current portion	2.11, 18	170,500	269,033
Lease liability, net of current portion	22	761	46,113
Deferred tax liabilities, net of current portion	2.20, 21	129,493	119,875
Payable to related parties	27	362	4,159
Security deposits due to tenants	2.12, 4	11,236	12,830
		312,352	**452,010**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of financial position

As at 31 December 2024

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	As at 31 December 2024	As at 31 December 2023
Current liabilities			
Current portion of interest bearing bank loans and borrowings	2.11, 18	60,749	83,624
Current portion of lease liability	22	87,374	2,016
Current portion of deferred tax liabilities	2.20, 21	7,199	–
Current portion of security deposits due to tenants	2.12, 4	1,400	2,201
Accounts payable	2.13	5,631	6,717
Current portion of payable to related parties	27	8,427	9,321
Income and other taxes payable	2.20, 21	14,090	13,632
Subscriptions received in advance	32	50,881	–
Accrued expenses and other current liabilities	19	38,464	37,398
Dividend payable	2.10	1,489	–
Deferred income	2.15	15,807	15,713
		291,511	**170,622**
Total liabilities		**603,863**	**622,632**
Total equity and liabilities		**4,592,851**	**4,582,225**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated income statement

For the year ended 31 December 2024

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Rental income	2.17	199,721	194,952
Other property income	2.17	36,225	44,262
Total revenue	6	**235,946**	**239,214**
Property management fees		(4,654)	(5,029)
Other property related expenses	23	(55,053)	(59,034)
Property operating expenses	2.18	**(59,707)**	**(64,063)**
Gross profit		**176,239**	**175,151**
Annual management fee	27	(18,565)	(19,694)
Asset management fees	27	(9,691)	(11,060)
Depositary fees		(308)	(310)
Other fund expenses	24	(10,049)	(11,447)
Fund operating expenses		**(38,613)**	**(42,511)**
Loss from fair value adjustments on investment property	2.3,7	(24,694)	(511,590)
Gain from fair value adjustments on non-current asset held-for-sale	31	123	–
Gain from disposal of investment property	2.17, 10	6,670	1,700
Result from investment activity		**(17,901)**	**(509,890)**
Operating profit/(loss)		**119,725**	**(377,250)**
Finance income	2.17, 25	16,552	13,590
Finance costs	2.18, 25	(12,069)	(16,457)
Loss from fair value adjustments on loans	13	(6,796)	(1,418)
Share of profit of joint ventures	8	3,215	10,751
Profit/(loss) before tax		**120,627**	**(370,784)**
Current tax expense	2.20, 21	(11,187)	(9,983)
Deferred tax (expense)/income	2.20, 21	(17,827)	47,429
Profit/(loss) for the year		**91,613**	**(333,338)**
Profit/(loss) attributable to:			
Shareholders of the Fund		90,989	(330,410)
Non-controlling interests		624	(2,928)
		91,613	**(333,338)**

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Profit/(loss) per Share (basic and diluted)	26		
Class 'C' Income Shares		1.79	(8.57)
Class 'C' Accumulation Shares		1.79	(8.57)
Class 'E' Income Shares		2.22	(8.05)
Class 'E' Accumulation Shares		2.22	(8.05)
Class 'F' Income Shares		2.26	(8.00)
Class 'F' Accumulation Shares		2.26	(8.00)
Class 'G' Income Shares		2.28	(7.98)
Class 'G' Accumulation Shares		2.28	(7.98)
Class 'X' Income Shares		2.08	(8.21)
Class 'X' Accumulation Shares		2.08	(8.21)

The Fund is not exposed to potentially dilutive effects and as such the diluted earnings per Share equal the basic earnings per Share.

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2024

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Profit/(loss) for the year		**91,613**	**(333,338)**
Profit/(loss) attributable to:			
Shareholders of the Fund		90,989	(330,410)
Non-controlling interests		624	(2,928)
		91,613	**(333,338)**
Other comprehensive loss that may be reclassified to income statement in subsequent periods			
Foreign currency translation	2.19, 17	(10,246)	(1,399)
Other comprehensive loss for the year		**(10,246)**	**(1,399)**
Total comprehensive income/(loss) for the year		**81,367**	**(334,737)**
Total comprehensive income/(loss) attributable to:			
Shareholders of the Fund		80,743	(331,809)
Non-controlling interests		624	(2,928)
		81,367	**(334,737)**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Statement of changes in the number of shares issued

For the year ended 31 December 2024

		Year ended 31 December 2024	Year ended 31 December 2023
Number of Shares outstanding at the beginning of the year			
Class 'C'	Income Shares	232,820.215	297,045.968
	Accumulation Shares	159,490.027	310,965.976
Class 'E'	Income Shares	3,244,857.948	3,330,824.181
	Accumulation Shares	132,700.006	13,642.631
Class 'F'	Income Shares	13,153,631.587	12,697,900.311
	Accumulation Shares	1,937,533.070	2,296,929.943
Class 'G'	Income Shares	11,754,060.939	11,754,060.939
	Accumulation Shares	3,803,255.714	1,935,744.217
Class 'X'	Income Shares	5,344,767.295	6,417,473.594
	Accumulation Shares	1,403,688.514	1,932,154.270
Number of Shares issued during the year			
Class 'C'	Income Shares	71,492.625	110,560.771
	Accumulation Shares	–	–
Class 'E'	Income Shares	17,874.284	27,168.737
	Accumulation Shares	–	–
Class 'F'	Income Shares	98,005.573	70,944.685
	Accumulation Shares	43,357.572	57,426.958
Class 'G'	Income Shares	–	–
	Accumulation Shares	498,120.215	1,838,225.684
Class 'X'	Income Shares	–	–
	Accumulation Shares	25,266.869	23,733.797
Number of Shares redeemed during the year			
Class 'C'	Income Shares	–	(68,952.795)
	Accumulation Shares	–	(12,076.338)
Class 'E'	Income Shares	–	(113,134.970)
	Accumulation Shares	–	(12,000.000)
Class 'F'	Income Shares	(767,489.310)	(267,780.474)
	Accumulation Shares	(23,237.512)	(24,256.351)
Class 'G'	Income Shares	–	–
	Accumulation Shares	–	–
Class 'X'	Income Shares	–	(2,165,098.190)
	Accumulation Shares	–	–
Number of Shares converted during the year			
Class 'C'	Income Shares	–	(105,833.729)
	Accumulation Shares	–	(139,399.611)
Class 'E'	Income Shares	–	–
	Accumulation Shares	–	131,057.375
Class 'F'	Income Shares	(1,220,689.015)	652,567.065
	Accumulation Shares	700,898.801	(392,567.480)
Class 'G'	Income Shares	–	–
	Accumulation Shares	–	29,285.813
Class 'X'	Income Shares	–	1,092,391.891
	Accumulation Shares	(42,907.006)	(552,199.553)

The accompanying notes are an integral part of these Consolidated Financial Statements.

Statement of changes in the number of shares issued

For the year ended 31 December 2024

		Year ended 31 December 2024	Year ended 31 December 2023
Number of Shares in issue at the end of the year			
Class 'C'	Income Shares	304,312.840	232,820.215
	Accumulation Shares	159,490.027	159,490.027
Class 'E'	Income Shares	3,262,732.232	3,244,857.948
	Accumulation Shares	132,700.006	132,700.006
Class 'F'	Income Shares	11,263,458.835	13,153,631.587
	Accumulation Shares	2,658,551.931	1,937,533.070
Class 'G'	Income Shares	11,754,060.939	11,754,060.939
	Accumulation Shares	4,301,375.929	3,803,255.714
Class 'X'	Income Shares	5,344,767.295	5,344,767.295
	Accumulation Shares	1,386,048.377	1,403,688.514

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of changes in equity

For the year ended 31 December 2024

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	Share capital	Retained earnings	Profit/(loss) for the year	Accumulated dividends	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance as at 31 December 2022		**4,050,974**	**907,882**	**(160,989)**	**(471,969)**	**(54,510)**	**4,271,388**	**8,476**	**4,279,864**
Share subscription	15	349,190	-	-	-	-	349,190	-	349,190
Share redemption	15	(246,102)	-	-	-	-	(246,102)	-	(246,102)
Dividend	16	-	-	-	(88,622)	-	(88,622)	-	(88,622)
Allocation of prior year's loss		-	(160,989)	160,989	-	-	-	-	-
Loss for the year		-	-	(330,410)	-	-	(330,410)	(2,928)	(333,338)
Other comprehensive loss for the year		-	-	-	-	(1,399)	(1,399)	-	(1,399)
Total comprehensive loss for the year		-	-	(330,410)	-	(1,399)	(331,809)	(2,928)	(334,737)
Balance as at 31 December 2023		**4,154,062**	**746,893**	**(330,410)**	**(560,591)**	**(55,909)**	**3,954,045**	**5,548**	**3,959,593**
Share subscription	15	104,870	-	-	-	-	104,870	-	104,870
Share redemption	15	(65,453)	-	-	-	-	(65,453)	-	(65,453)
Dividend	16	-	-	-	(93,698)	-	(93,698)	-	(93,698)
Non-controlling interests arising on acquisition of a subsidiary		-	-	-	-	-	-	2,309	2,309
Allocation of prior year's loss		-	(330,410)	330,410	-	-	-	-	-
Profit for the year		-	-	90,989	-	-	90,989	624	91,613
Other comprehensive loss for the year		-	-	-	-	(10,246)	(10,246)	-	(10,246)
Total comprehensive income for the year		-	-	90,989	-	(10,246)	80,743	624	81,367
Balance as at 31 December 2024		**4,193,479**	**416,483**	**90,989**	**(654,289)**	**(66,155)**	**3,980,507**	**8,481**	**3,988,988**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of cash flows

For the year ended 31 December 2024

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Cash flows from operating activities			
Profit/(loss) before tax		120,627	(370,784)
Adjustments for non-cash items			
Net loss from fair value adjustments on investment properties	7	24,694	511,590
Gain from fair value adjustments on non-current asset held-for-sale	31	(123)	–
Loss from fair value adjustments on loans	13	6,796	1,418
Gain from disposal of investment property	7, 10	(6,670)	(1,700)
Unrealised loss on caps	25	1,975	2,987
Share of profit of joint ventures	8	(3,215)	(10,751)
Realised loss on caps	25	–	138
Interest income	25	(14,240)	(11,398)
Interest expense	25	8,552	9,347
Amortisation of debt costs	18,25	585	682
Bad debt (reversal)/provision	23	(377)	2,071
Unrealised exchange gains		34	(946)
Net cash flows before change in working capital		**138,638**	**132,654**
Decrease in receivables and other assets		2,892	20,314
Decrease in payables and other liabilities		(7,311)	(15,257)
Income taxes paid	21	(11,176)	(11,542)
Net cash provided by operating activities		**123,043**	**126,169**
Cash flows from investing activities			
Acquisitions of investment properties	7	(105,121)	(33,526)
Proceeds from disposal of subsidiaries and investment properties	10	98,405	82,625
Proceeds from disposal of non-current assets held-for-sale	10,31	119,971	–
Receipt of governments grants		–	4,157
Capital expenditure	7	(38,859)	(75,555)
Payments on deposits	12	–	(6,410)
Acquisitions of investment in joint ventures	8	(9,205)	(1,604)
Dividend received from joint ventures	8	–	600
Interest received	9,25	3,598	5,082
Issued loans	13	(25,505)	(8,864)
Increase in loans to joint ventures	9	(3,366)	–
Proceeds from loans collected	9	–	6,300
Net cash provided by/(used in) investing activities		**39,918**	**(27,195)**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of cash flows

For the year ended 31 December 2024

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Cash flows from financing activities			
Loan transaction costs	18	–	(125)
Loans repaid during the current year	18	(121,370)	(163,335)
Proceeds from termination of cap	25	–	528
Proceeds of loans and borrowings	18	–	58,442
Lease payments	22	(2,045)	(2,005)
Proceeds from subscription of Shares	15	97,309	327,154
Monies received on subscription pending settlement	32	50,881	–
Payments on redemption of Shares	15	(65,453)	(246,102)
Dividend payment	16	(82,339)	(79,432)
Net interest paid	25	(8,158)	(7,810)
Net cash used in financing activities		**(131,175)**	**(112,685)**
Net increase/(decrease) in cash and cash equivalents		**31,786**	**(13,711)**
Cash and cash equivalents at the beginning of the year		359,731	372,694
Exchange (loss)/gain on cash and cash equivalents		(581)	748
Cash and cash equivalents at the end of the year	14	**390,936**	**359,731**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of investment properties

For the year ended 31 December 2024

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Historic cost			
Cost at the beginning of the year		4,011,689	4,123,038
Asset acquisitions by way of share deal acquisitions	7	50,723	(1,969)
Asset additions by way of direct property acquisitions	7	54,833	70,427
Capital expenditure	7	39,917	78,080
Asset disposal by way of share deal disposal	7, 10	–	(49,351)
Asset disposal by way of direct property disposal	7, 10	(99,047)	(54,390)
Transfer to assets held-for-sale	7, 31	(186,753)	(151,702)
Effect of unrealised currency movements	7	(9,998)	(2,444)
Cost at the end of the year		**3,861,364**	**4,011,689**
Net unrealised losses related to property			
Net unrealised (losses)/gains at the beginning of the year		(278,544)	169,536
Disposals	7, 10	488	22,661
Transfer to assets held-for-sale	7, 31	(32,284)	39,875
Net valuation losses on investment property during the year	7	(23,628)	(510,616)
Net unrealised losses at the end of the year		**(333,968)**	**(278,544)**
Carrying value at the end of the year		**3,527,396**	**3,733,145**
Right of use asset	7	48,129	49,189
Lease modification adjustment	7	42,370	–
Net loss from fair value adjustments on right-of-use	7	(1,066)	(974)
Net currency movement on right-of-use	7	(1,298)	(86)
Transfer to assets held-for-sale	7, 31	(87,341)	–
Total investment properties at the end of the year		**3,528,190**	**3,781,274**
Lease incentives	7	43,282	41,878
Fair value at the end of the year		**3,571,472**	**3,823,152**
Fair value at the beginning of the year		**3,823,152**	**4,391,436**
Appraised market value as a percentage of net assets		**90%**	**97%**
Appraised gross property value subject to security		**542,199**	**776,390**
Insured value of investment properties	7	**4,207,206**	**4,560,690**
Insured value of investment properties of joint ventures (on basis of a 50% share (2023: 45%))		**111,165**	**98,314**
Insured value of investment properties held for sale		**207,718**	**120,253**

During the year ended 31 December 2024, there were three acquisitions of investment properties:

- On 28 November 2024, the Fund acquired an additional property, the Vescovana Logistic Building, in Padova for €12.8m through its existing entity, Padova S.r.l. (excluding acquisition costs);
- On 20 December 2024, the Fund entered into forward funding agreements to acquire two developments in France through its existing entity, LLD Logistics SNC, for €9.7m (excluding acquisition costs). Initial payments of 20% of the total price were paid in December 2024; and
- On 17 December 2024, the Fund acquired a PRS Complex in Valencia for a property value of €80.0m by acquiring Marina Living, S.L.U. Two properties were acquired by share deal of €51.5m and one property by asset deal of €28.5m (excluding acquisition costs).

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of investment properties

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

During the year ended 31 December 2024, there were six disposals of investment properties:

- On 25 January 2024, the Fund disposed of the entity Toison d'Or S.A. for €40.9m (excluding transaction costs), for which the investment property was classified as held for sale as at 31 December 2023;
- On 1 July 2024, the Fund disposed of a property owned by Kloesterstraede 1 ApS for €2.3m (excluding transaction costs), for which the investment property was classified as held for sale as at 31 December 2023;
- On 1 July 2024, the Fund disposed of a property owned by MEP Industrial Centre K/S (Nordager 1-3, 6000 Kolding) for €44.2m (excluding transaction costs);
- On 1 July 2024, the Fund disposed of a property owned by Kalvebod Brygge 47 K/S for €80.6m (excluding transaction costs), for which the investment property was classified as held for sale as at 31 December 2023;
- On 17 July 2024, the Fund disposed of a property owned by Frederiksplein 42 S.à r.l. for € 17.0m (excluding transaction costs); and
- On 30 December 2024, the Fund disposed of a property owned by Ridlerstrasse S.à r.l. for €37.0m (excluding transaction costs).

During the year ended 31 December 2023, there were four disposals of investment properties:

- On 28 June 2023, the Fund disposed of a property owned by 13 ADN Monceau SCI for €37.3m (excluding transaction costs);
- On 10 July 2023, the Fund disposed of the entity Cortenbergh 71 S.A. for €31.9m (excluding transaction costs);
- On 13 July 2023, the Fund disposed of the entity Hantverkaregatan 32 Malmö AB for €9.1m (excluding transaction costs); and
- On 24 July 2023, the Fund disposed of a property owned by Calle Reyes S.à r.l. for €7.5m (excluding transaction costs).

For details related to disposals refer to Note 10.

As at 31 December 2024, the asset related to the entity Klara Strand Property AB is presented as 'non-current asset classified as held-for-sale'. On 1 April 2025, the Fund completed the sale of Klara Strand Property AB for an agreed disposal price of €242.0m (SEK 2,626m).

For details related to non-current assets classified as held-for-sale refer to Note 31.

The estimated equivalent yields used by the Valuation Advisers to value the investment properties as at 31 December 2024 and 31 December 2023 were as follows per country:

Country	31 December 2024	31 December 2023
Belgium	5.02%	5.24%-7.60%
Denmark	4.40%-7.00%	4.20%-7.00%
Finland	4.25%-6.60%	4.25%-6.55%
France	4.05%-7.31%	3.90%-7.12%
Germany	3.70%-7.30%	3.65%-7.20%
Italy	4.30%-6.58%	4.10%-6.45%[a]
Luxembourg	6.75%	6.35%
the Netherlands	4.21%-7.33%	3.91%-6.35%
Poland	6.35%-6.80%	6.25%-6.73%
Portugal	5.68%-6.23%	5.25%-5.85%
Spain	4.35%-5.73%	4.40%-5.60%
Sweden	4.50%-6.40%	4.60%-5.60%

[a] Estimated equivalent yields include properties at MCF S.r.l. and Elle 14 S.r.l.

The accompanying notes are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

1 General information

M&G European Property Fund SICAV-FIS (the 'Fund'), is a public limited company (société anonyme or SA) qualifying as a specialised investment fund with variable share capital (société d'investissement à capital variable – fonds d'investissement spécialisé). The Fund was initially established in 2006 under Part II of the 2002 Law, as an umbrella SICAV, Specialist Investment Funds (2), with a single compartment or sub-fund, being the M&G European Property sub-fund. At an extraordinary general meeting of Shareholders held on 28 May 2010, it was decided that, with effect from 2 June 2010:

- the regulatory regime be changed from Part II of the 2002 Law to the Specialised Investment Funds Law of 2007 (the 'SIF Regime'); and
- the umbrella SICAV and M&G European Property sub-fund be merged into a single fund SICAV structure, under the denomination M&G European Property Fund SICAV-FIS.

The investment objective of the Fund is to invest in European markets to optimise long-term total return (the combination of income and growth of capital), through investment mainly in real estate investments.

The Fund's financial year runs from January 1 to December 31 of each year. The reporting year presented in these Consolidated Financial Statements is from 1 January 2024 through 31 December 2024.

These Consolidated Financial Statements for the year ended 31 December 2024 have been authorised for issue by the Board on 22 April 2025.

2 Summary of material accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements have been prepared on a historical cost basis, except for investment properties, loans receivable and derivative financial instruments which are stated at fair value.

The Consolidated Financial Statements are presented in Euro (EUR or €) and all values are rounded to the nearest thousand (EUR '000) except where otherwise indicated.

Statement of compliance

The Consolidated Financial Statements of the Fund have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU').

Going concern assessment

As at 31 December, the Fund had an undealt capital queue of €146.1m. The cash balance amounted to €390.9m, out of which €35.6m was held in the Fund level bank accounts and €355.3m was held in the bank accounts of the Fund's subsidiaries. As at 31 December 2024, the interest bearing bank loans (including interest) amounted to €231.2m, of which €60.7m will be due for repayment during the year 2025.

Rent collection for the year was 97.70%, although this is still below the historic rate of ~100%, this has improved markedly on recent years. Historically, the volume of redemption requests has been small. The Fund paid €65.5m of redemptions in 2024, this increase has typically been driven by the underlying investors rebalancing their portfolios as a result of the denominator effect. However, the Fund has since not had any further indications of any further redemptions. If significant redemptions were to be received in the next 12 months, the sources of liquidity would (in order of priority) be existing accessible cash in the Fund, drawdowns from the capital queue, and asset sales. In the event that asset sales were required to be completed to fund redemptions, it is possible that redemption requests would be deferred. Redemption requests may be deferred for up to 18 months.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

Given the size of the Fund's NAV, adequate cash to meet short term requirements through use of the capital queue, combined with no outstanding redemption requests, and the deferral mechanism in place, together with low vacancy rates and a strong income base, we believe it is appropriate for the Fund's Consolidated Financial Statements for the year ended 31 December 2024 to be prepared on a going concern basis.

New and amended standards and interpretations adopted by the Fund

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and International Financial Reporting Interpretations Committee ('IFRIC') interpretations effective as of 1 January 2024, these exclude standards which, in the opinion of the Board, are not relevant to the Fund.

Amendments to IAS 1 – Classification of liabilities as current or non-current and non-current liabilities with covenants

In January 2020, the International Accounting Standard Board ('IASB') issued amendments to paragraphs 69 to 76 of International Accounting Standard ('IAS') 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement;
- what a right to defer must exist at the end of the reporting period;
- the classification is unaffected by the likelihood that an entity will exercise its deferral right;
- that only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification; and
- disclosures.

The adoption and interpretation of this standard does not have a material impact on the Fund's Consolidated Financial Statements.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose. These amendments have been endorsed by the EU on 16 May 2024.

The adoption and interpretation of this standard does not have a material impact on the Fund's Consolidated Financial Statements.

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right-of-use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application.

The adoption and interpretation of this standard does not have a material impact on the Fund's Consolidated Financial Statements.

New and amended standards and interpretations issued but not effective for the financial year beginning 1 January 2024 and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's Consolidated Financial Statements are disclosed below, except for those standards which, in the opinion of the Board, are not relevant to the Fund. The Fund intends to adopt these standards, if applicable, when they become effective. The Fund's assessment of the impact of these new standards and interpretations are set out below:

Amendments to IAS 21 – Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 Lack of Exchangeability. The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. These amendments have been endorsed by the EU on 13 November 2024.

Amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures

On 30 May 2024, the IASB issued amendments to the classification and measurement of financial instruments to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 - Financial Instruments. The amendments include guidance on the classification of financial assets, including those with contingent features. Companies will be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features. The amendments are effective for reporting periods beginning on or after 1 January 2026.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

Annual Improvement cycle:
The following annual improvements to IFRS Accounting Standards are effective for reporting periods beginning on or after 1 January 2026:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

IFRS 18 – Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Consolidated Financial Statements. IFRS 18 introduces new requirements for presentation within the Consolidated income statement , including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the Consolidated income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary Consolidated Financial Statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, will be effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted, but will need to be disclosed. IFRS 18 must be applied retrospectively.

The Board of Managers is currently assessing the implications of applying the new standard on the Fund's Consolidated Financial Statements. The Fund will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures
In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements on other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares Consolidated Financial Statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will be effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. IFRS 19 is not expected to have a material impact on the Fund's Consolidated Financial Statements.

These amendments have not been endorsed by the EU. There are no new standards, amendments to standards, or interpretations issued but not yet effective for the financial year beginning on 1 January 2024 are expected by management to have a material impact on the Fund's Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

2.2 Basis of consolidation

The financial statements are presented on a consolidated basis including all the activities of the Fund and of its direct and indirect subsidiaries as at 31 December 2024. The financial statements of the Fund and those of its subsidiaries are prepared for the same reporting period using consistent accounting policies.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Fund has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Fund controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Fund. When the Fund loses control over a subsidiary, it derecognises the related assets (including any goodwill previously recognised), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss recognised in the Consolidated income statement.

A list of consolidated entities is included in Note 28.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Fund.

Transactions with non-controlling interests

The Fund treats transactions with non-controlling interests as transactions with equity owners of the Fund. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Business combinations and goodwill

The acquisition method of accounting is used to account for business combinations by the Fund. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Fund. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Fund recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The Fund will consider on a transaction-by-transaction basis the optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. This test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

The Fund measures goodwill at the acquisition date as the excess of:

- the consideration transferred, plus
- the amount of any non-controlled interest in the acquiree, plus
- the fair value at acquisition date of any previous equity interest in the acquiree, less
- the fair value of the Fund's share of identifiable net assets acquired.

If this calculated balance is negative in the case of a bargain purchase, it is recognised directly in the Consolidated Statement of comprehensive income.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. For the year ended 31 December 2024, the Fund did not have business combinations or goodwill.

Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Fund's investments in joint ventures are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Fund's share of the net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Consolidated income statement reflects the Fund's share of the results of operations of the joint ventures. Any change in other comprehensive income ('OCI') of those investees is presented as part of the Fund's OCI. In addition, when there has been a change recognised directly in the equity of the joint ventures, the Fund recognises its share of any changes, when applicable, in the Consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Fund and the joint ventures are eliminated to the extent of the interest in the joint ventures.

The share of profit of the joint ventures is shown on the face of the Consolidated income statement and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

After application of the equity method, the Fund determines whether it is necessary to recognise an additional impairment loss on the Fund's investment in the joint venture. The Fund determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case the Fund calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in the Consolidated income statement.

2.3 Investment properties

Investment properties mainly comprise investments in land and buildings in the form of offices, industrial, retail or residential properties which are not used in the operation of the Fund, nor for sale in the ordinary course of business, but are held primarily to earn rentals by leasing to third parties under long term operating leases or for capital appreciation or both. As at the reporting date the Fund held assets in Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Poland, Portugal, Luxembourg, Spain and Sweden.

Investment properties are initially recorded at cost including any costs directly attributable to the purchase, such as property transfer taxes and professional fees for legal services to bring the property to the condition necessary for it to operate in the manner intended by the Fund. Subsequent expenditure on renovation and development of investment properties is capitalised at cost. Day-to-day servicing cost of an investment property is expensed.

After initial recognition investment properties are revalued to fair value on an annual basis as determined by the independent valuers (the 'Valuation Advisers'). A full valuation is performed on an annual basis at year end. A desktop valuation is performed by the Valuation Advisers on a quarterly basis. CBRE Limited ('CBRE') and Jones Lang LaSalle Expertises ('JLL') have been appointed as the Valuation Advisers and have acquired significant experience in the real estate segment targeted by the Fund.

Any gains or losses arising from a change in the fair value of investment properties are included in the Consolidated income statement in the year in which they arise under 'Loss from fair value adjustments on investment properties'. For the purposes of these Consolidated Financial Statements, in order to avoid 'double counting', the assessed fair value is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and leasing commissions and/or minimum lease payments.

Investment properties are derecognised, either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal or withdrawal from use. Any gains or losses from the discontinuation or disposal of an investment property are recognised in the Consolidated income statement in the year of retirement or disposal.

Realised gains and losses on the disposal of investment properties are determined as the difference between net disposal proceeds and the carrying value of the asset and are included in the Consolidated income statement in the year in which they arise under 'Gain from disposal of investment properties'.

A breakdown of the Fund's current investment properties is included under Note 7 and Note 29.

Leasehold assets

In accordance with IFRS 16, the Fund accounts for all leases under a single on-balance sheet model.

At the commencement date of a lease, the Fund as lessee, will recognise a liability to make lease payments (ie, the lease liability) and a corresponding asset representing the right to use the underlying asset during the lease term (ie, the right-of-use asset). The right-of-use asset is subsequently revalued in accordance with IAS 40, due to the right-of-use asset meeting the definition of Investment Property.

The fair value of investment property held by a lessee as a right-of-use asset reflects expected cash flows (including variable lease payments that are expected to become payable). Accordingly, if a valuation obtained for the underlying property is net of all payments expected to be made, it will be necessary to add back any recognised lease liability, to arrive at the consolidated carrying amount of the investment property using the fair value model. Changes in fair value are recognised in the Consolidated income statement within Loss from fair value adjustment on investment properties.

The Fund will recognise a lease liability at the date of initial application measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The Fund will apply the available practical expedients wherein it will use a single discount rate to a portfolio of leases with reasonably similar characteristics.

The lease payments included in the measurement of the lease liability compromise fixed payments through to the end of the lease and variable lease payments that depend on an increase in the fixed sum (ie, periodic doubling of the rent). After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Fund will remeasure the lease liability upon the occurrence of certain events (eg, a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The Fund will recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Right-of-use asset is presented as part of Investment properties in the Consolidated statement of financial position. The lease liability is presented in the Consolidated statement of financial position split between current and non current liability accordingly.

Leasing commissions

Leasing commissions incurred subsequent to the acquisition of a real estate asset in negotiating a new or renewed operating lease are capitalised and amortised over the leasing term.

Valuation methodologies

Market Value is estimated through application of valuation methods and procedures that reflect the nature of the property and the circumstances under which the given property would most likely trade in the market. The most common methods used to estimate Market Value include the sales/direct comparison approach and the income capitalisation approach, including discounted cash flow analysis. The most common method used to estimate the Market Value of investment properties under construction is the residual value method, combined with either the sales comparison approach, or the income capitalisation approach.

a. Sales/direct comparison approach

This comparative approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, a property being valued (a subject property) is compared with sales of similar properties that have been transacted in the market. Listings and offerings may also be considered.

This approach establishes limits on the Market Value for real property by examining the prices commonly paid for properties that compete with the subject property for buyers. Sales are investigated to ensure that the parties to the transaction were typically motivated.

b. Income capitalisation approach

This approach considers income and expense data relating to the property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually a net income figure) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment), or both.

The income capitalisation approach is particularly important for properties that are purchased and sold on the basis of their earnings capabilities and characteristics and in situations where there is market evidence to support the various elements incorporated into the analysis. The income capitalisation approach is based on the same principles that apply to other valuation approaches. In particular, it perceives value as created by the expectation of future benefits (income streams). Income capitalisation employs processes that consider the present value of anticipated future income benefits.

c. Discounted cash flow analysis ('DCF')

DCF is a financial modelling technique based on explicit assumptions regarding the prospective cash flow to a property or business. As an accepted methodology within the income approach to valuation, DCF analysis involves the projection of a series of periodic cash flows either to an operating property, a development property, or a business. An appropriate, market-derived discount rate is applied to this projected cash flow series to establish an indication of the present value of the income stream associated with the property or business. In the case of operating real estate properties, periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. The series of periodic net operating incomes, along with an estimate of the reversion/terminal value, anticipated at the end of the projection period, is then discounted. The most widely used applications of DCF analysis are the Internal Rate of Return ('IRR') and Net Present Value ('NPV').

As with all other components of DCF analysis, the discount rate should also reflect market data, ie, other market derived discount rates. Discount rates should be selected from comparable properties or businesses in the market. In order for these properties to be comparable, the revenue, expenses, risk, inflation, real rates of return, and income projections for the properties must be similar to those of the subject property. Present value calculations of cash flows are most often calculated using appropriate discount rates for each class of cash flows. A reversion/terminal value is capitalised at a terminal capitalisation rate, or reversion yield, and discounted to present value at an appropriate discount rate. In many instances, a single discount rate is used for all cash flows.

d. Residual value method

For the investment properties under construction, market value has been determined using the residual value method. As part of this process the Valuation Advisers initially assess the gross development value of the respective property based on the estimated rental value ('ERV') that they assume for each asset upon completion and an equivalent yield that would be appropriate for the subject property. Various costs such as the estimates of capital outlay, construction costs and developer's profit then have to be deducted in order to arrive at the value of the property to the Fund. In determining such costs the Fund's contractual commitments are taken into account. The total gain is apportioned with respect to the total percentage spend to date and added to the total spend to date to calculate the investment value at the valuation date, any losses are recognised in full.

The Fund's preferred valuation methodology used for completed investment properties is the income capitalisation approach, with reference to the sales/direct comparison approach to analyse the rate per square metre of similar properties transacted in the market. The residual value method is used for investment properties under construction. The timing and quantum of the Fund's contractually committed development costs are taken into account in the application of this method.

2.4 Financial assets and liabilities

Recognition of financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9, are classified at initial recognition, and subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component, or for which the Fund has applied the practical expedient, the Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. As the Fund's rent and other accounts receivable do not contain significant financing components, they are measured at the transaction price.

The Fund's financial assets include loans receivable, loans to joint ventures, derivative financial instruments, trade and other receivables and cash and short-term deposits.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets at amortised cost

The Fund measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest, on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Since the Fund's financial assets (loans to joint ventures, rent and other accounts receivable, contract assets, cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost. These are non derivative financial instruments with fixed or determinable payments and are therefore subsequently measured at amortised cost and subject to impairment. IFRS 9 requires the Fund to record expected credit losses ('ECLs') on all of loans and accounts receivable not held at fair value through profit or loss.

Loans to joint ventures are assessed on an annual basis to determine whether any allowance for ECLs is required. ECLs are based on the difference between the contractual cash flows due in accordance with the loan agreement and all the cash flows that the Fund expects to receive, discounted at the effective interest rate. Any impairment is recognised in the Consolidated statement of comprehensive income.

Under IFRS 9 an impairment of a receivable measured at amortised cost is recognised using forward looking information incorporating an estimation of estimated lifetime future credit losses. The standard results in earlier recognition of losses than previously recognised under IAS 39 where an 'incurred loss' model was used. Practical expedients are available and the Fund has elected to use the 'simplified model' as most of the receivables are short term in nature without any significant financing component. For more information in relation to ECLs, refer to Note 3 and 4.

Accounts receivable are written off when there is no reasonable expectation of recovery, or when an insolvency event has been declared.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. The Board has assessed that the derivative financial instruments and loans receivable, have met the above criteria and are therefore held at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the Consolidated statement of financial position at fair value, with changes in fair value recognised in the Consolidated income statement.

Recognition of financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

The Fund's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. They are initially recognised at fair value and subsequently at amortised cost with gains and losses recognised through the Consolidated income statement, except for derivative financial instruments which are held at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Fund retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Fund has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same counterparty on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Consolidated statement of comprehensive income.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Consolidated income statement in the year in which they are incurred.

2.6 Accounts receivable

Accounts receivable generally have 30-90 days payment terms. For accounts receivable recognition and measurement, refer to details disclosed in Note 2.4. Impaired debts are derecognised when they are assessed as uncollectible.

2.7 Loans receivable

The Fund has entered into development loan agreements with third party developers in relation to residential property development schemes. These are presented as loans receivable in the Consolidated statement of financial position. This funding, where drawn down by the developer, is classified as loan receivable at fair value through profit or loss. Interest earned by the Fund on the funding provided is recognised in finance income. Financial assets at fair value through profit or loss are carried in the Consolidated statement of financial position at fair value, with changes in fair value recognised in the Consolidated income statement.

Interest is charged under the terms detailed in the development agreement and taken to the Consolidated income statement in the year in which it relates.

2.8 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value. For the purposes of the Consolidated statement of cash flows, bank overdrafts that are repayable on demand form an integral part of the Fund's cash management and are included as a component of cash and cash equivalents.

2.9 Share capital

Ordinary shares are classified as equity and are stated at nominal value of cash received, or in the case of shares issued by way of contributions in kind at the agreed value for the assets received as part of the contribution.

2.10 Dividends

Dividends to be paid to Shareholders are recognised in the Consolidated Financial Statements as a liability in the year in which the Board approves the distribution and are carried at nominal value.

Dividends to be received are recognised when the Fund's right to receive the payments is established.

In line with the provisions of IAS 37 the Board has determined that the dividend approved subsequent to year end does not meet the definition of a liability as at year end. However, as this distribution is calculated and declared as part of the normal NAV calculation process the Board has deemed it appropriate to provide for this in the 31 December NAV as illustrated in the NAV reconciliation in Note 34.

2.11 Interest bearing loans and borrowings

Interest bearing loans and borrowings are bank/external loans and are carried on the Consolidated statement of financial position at the fair value of the initial proceeds less the unamortised portion of discounts and transaction costs incurred to acquire them. Discounts and transaction costs are amortised through interest expense using the effective interest method over the life of the related debt.

Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and transfer taxes and duties. Transaction costs do not include internal administrative or holding costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the Consolidated income statement when the liabilities are derecognised as well as through the amortisation process.

2.12 Security deposits due to tenants

These represent the nominal value of cash deposits paid by the tenant at the commencement of a lease and are held by way of a guarantee to ensure the satisfactory discharge of the responsibilities of the tenant under the lease. The deposit is due to be repaid upon the satisfactory discharge of those liabilities.

2.13 Accounts payable

Accounts payable represent the nominal value of amounts payable to third parties, who are not related parties.

2.14 Provisions and contingencies

A provision is recognised when, and only when, the Fund has a present obligation (legal or constructive) as a result of a past event and it is probable (ie, more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision will reflect the present value of the expenditures expected to be required to settle the obligation.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Fund has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

No provision is made for cyclical refurbishment costs.

Contingencies are not recognised in the Consolidated Financial Statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the Consolidated Financial Statements but disclosed when an inflow of economic benefit is possible.

2.15 Deferred income

Deferred income represents rental income which has been billed to tenants as at the end of the reporting period but which relates to future periods.

2.16 Derivative financial instruments and hedge accounting

Derivative financial instruments comprise instruments held for hedging purposes which are measured at fair value.

The Fund may use derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments will initially be recognised at fair value at the date at which a derivative contract is entered into and will be subsequently remeasured at fair value. Derivatives will be carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values of similar instruments.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Fund will formally designate and document the hedge relationship to which the Fund wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Fund will assess whether the hedging relationship meets the hedge effectiveness requirements.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument would be recognised in the Consolidated income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the Consolidated income statement.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through the Consolidated income statement over the remaining term of the hedge. The amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the Consolidated income statement.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in the Consolidated statement of comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Consolidated income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in equity are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. For any other cash flow hedges, the amount taken to equity is reclassified to the Consolidated income statement as a reclassification adjustment in the same year or years during which the hedged cash flows affect the Consolidated income statement.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in equity must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the Consolidated income statement as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in equity must be accounted for depending on the nature of the underlying transaction as described above.

Economic hedging

The Fund also uses financial instruments that represent an economic hedge but for which no hedge accounting is applied, either because the criteria to qualify for hedge accounting defined in IFRS 9 are not met or because the Board has chosen not to apply hedge accounting. Any gains or losses arising from changes in fair value of derivatives for which no hedge accounting is applied will be taken directly to the Consolidated income statement.

2.17 Revenue recognition

Rental income

Rental income from investment properties leased out under operating leases represents rents charged to tenants and is recognised in the Consolidated income statement on a straight-line basis over the lease term of ongoing leases, net of sales taxes except where the sales tax incurred on a purchase of goods and services is not receivable from the taxation authority. Lease incentives, including rent-free periods and reimbursement of relocation or other costs are recognised as an integral part of the lease payments and are also recognised in the Consolidated income statement on a straight-line basis.

Other property income

This represents income derived from property from sources other than rental income from tenants, and is recognised on an accruals basis in the year to which it contractually relates, net of any sales taxes.

Property management fees and property operating expenses recharged to tenants are recognised as income on an accruals basis in the year to which the expense can be contractually recovered.

Property disposals

Revenue from the sale of investment properties is recognised in the Consolidated income statement on completion of the property transaction being when the significant risks and rewards of ownership have been transferred to the buyer.

Finance income

Income is recognised in the Consolidated income statement as interest accrues (using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the net carrying amount of the financial asset).

2.18 Expense recognition

General principle

Expenses are accounted for on an accrual basis. Expenses are charged to the Consolidated income statement, except for those which are related to the raising of equity, the raising of debt (see Note 2.11) or incurred in the acquisition of an investment which are capitalised as part of the cost of the investment. Expenses arising on the disposal of investments are deducted from the disposal proceeds.

Finance costs

Finance costs include:

- Interest costs related to secured notes and long term and short term debt, which are recognised on an accrual basis
- The effect of the unrealised change in fair value of interest rate hedges related to the financing activities for the year
- The effect of the foreign currency gains and losses on monetary assets and liabilities arising in the year; and
- The amortisation of loan transaction costs.

2.19 Foreign currency

Functional and presentation currency

The functional and presentation currency of the Fund and subsidiaries is the Euro ('EUR' or €). Each subsidiary of the Fund determines its own functional currency and items included in the Consolidated Financial Statements of each entity are measured using that functional currency. The functional currency of a subsidiary is determined as the currency of the primary economic environment in which the subsidiary generates and expends cash.

Transactions in foreign currencies

Transactions in currencies other than the functional currency of the Fund are recorded at the average exchange rate during the month in which the transaction took place. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. All differences are recognised in the income statement of the respective entity.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the exchange rate at the date when the fair value was determined.

The cumulative exchange differences arising on the settlement of cash transactions are classified as realised gains and losses in the Consolidated income statement in the year in which they are settled. Exchange differences on transactions not yet settled in cash are recognised as unrealised gains and losses in the Consolidated income statement under 'Finance costs'.

Translation to the presentation currency

Where the functional currency of a subsidiary is different from the presentation currency of the Fund the assets and liabilities of the subsidiary are translated at the rate of exchange ruling at the end of the reporting year. The income statement of such subsidiaries is translated at the average exchange rate for the year. The foreign exchange differences arising on the currency translation are recorded as a separate component of reserves in equity, under the heading of 'Cumulative foreign currency translation reserve'. Exchange differences arising on monetary items, which in substance form part of the Fund's net investment in a foreign operation, are recorded as part of the 'Cumulative foreign currency translation reserve'. At year end, the Fund owned sixteen subsidiaries with a functional currency other than the Euro, that being eight in Swedish Krona and eight in Danish Krone.

The movement in the cumulative foreign currency translation reserve is recorded as 'Other comprehensive income' in the Consolidated statement of comprehensive income.

On the disposal of such a subsidiary, accumulated foreign currency translation differences are recognised in the Consolidated income statement as a component of the 'Gain or loss on disposal of subsidiaries'.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the acquired company and are recorded at the exchange rate at the date of the transaction.

2.20 Taxation

The Fund entities are subject to taxation in the countries in which they operate. Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Consolidated income statement except to the extent that it relates to items recognised directly in equity (in which case it is recognised in equity).

a. Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates and tax laws that have been enacted or substantially enacted at the end of the reporting period. Current tax for current and prior period, to the extent unpaid, is recognised as a liability.

b. Deferred taxation

Deferred income tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor the taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which they are realised, based on tax rates and tax laws that have been enacted or substantially enacted at the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

The Fund measures deferred tax liabilities for investment properties measured at fair value by applying the consequence of recovering the economic benefits of the investment properties entirely through sale, unless the presumption can be rebutted.

2.21 Non-current assets held-for-sale

Investment property is transferred to non-current assets held-for-sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case the property must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such property and its sale must be highly probable.

For the sale to be highly probable:

- The Board must be committed to plan to sell the property and an active programme to locate a buyer and complete the plan must have been initiated;
- The property is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

On re-classification, the property that is measured at fair value continues to be so measured.

Liabilities directly associated with non-current assets classified as held-for-sale are shown separately as current items on the Consolidated Consolidated statement of financial position.

2.22 Events after the reporting period

Events after the reporting period that provide additional information about the Fund's position at the end of the reporting period (adjusting events) are reflected in the Consolidated Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3 Significant accounting judgements, estimates and assumptions

The preparation of Consolidated Financial Statements in conformity with IFRS requires the Board to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, revenues and expenses. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or the liability affected in future years.

In the process of applying the Fund's accounting policies, the Board has made the following significant judgements, estimates and assumptions:

a) Judgements

Determining whether the Fund meets the definition of an investment entity according to IFRS 10:

To meet the definition of an investment entity, the following criteria must be met:

- An entity obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Fund reports its investments at fair value under 'IAS 40 Investment Properties' in the Consolidated Financial Statements. However, the entity's key management personnel do not rely solely on fair value of the properties as the primary attribute to evaluate the performance of substantially all its investments and to make investment decisions. Instead, other indicators are used to evaluate performance and make investment decisions which comprise of prospective leases, occupancy rate, lease term, future rents, property yield, property location, net property income, tenant quality/profile and many other variables and market conditions.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

The Board has therefore concluded that the Fund does not meet the definition of an investment entity and therefore is not exempted from consolidating its controlled entities.

Business combinations

Significant judgement is required when determining the appropriate method of accounting for acquisitions of shares of a company owning property (ie, business combination versus asset deal). In the opinion of the Board, the special purpose vehicles which themselves own the investment property may not always qualify as businesses under the definition of IFRS 3 in case they do not represent 'an integrated set of activities and assets'. In the case where the acquisition of properties does not represent a business combination under the definition of IFRS 3, the purchase price of the assets and liabilities acquired is allocated based upon their relative fair values, and no goodwill is recognised.

Consolidation and joint arrangements

The Fund is a part owner of two investments in which it has a 50% ownership interest in each. The Fund has determined that it has joint control over the investees and the control is shared with the other 50% owner. These investments are a joint arrangement.

The Fund has, after considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangement and the Fund's rights and obligations arising from the arrangement, classified its interests as a joint venture under IFRS 11 Joint arrangements. As a consequence it accounts for its investment using the equity method.

Lease modification

Management is required to assess whether or not these rent concessions meet the definition of a lease modification under the scope of IFRS 16. A lease modification is defined in IFRS 16 as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. In assessing whether there has been a change in the scope of a lease, the Fund considers whether there has been a change in the right-of-use conveyed to the lessee by the contract. In assessing whether there has been a change in the consideration for a lease, the Fund considers the overall effect of any change in the lease payments. When it is assessed the rent concession meets the definition of a lease modification, the Fund accounts for a modification to an operating lease as a new lease from the effective date of the modification considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Principal versus agent considerations – services to tenants

The Fund arranges for certain services provided to tenants of investment property included in the contract the Fund enters into as a lessor, to be provided by third parties. The Fund has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. In making this determination, the Fund has considered that it is primarily responsible for fulfilling the promise to provide these specified services because it directly deals with tenants' complaints and it is primarily responsible for the quality or suitability of the services. In addition, the Fund has discretion in establishing the price that it charges to the tenants for the specified services. Therefore, the Fund has concluded that it is the principal in these contracts. In addition, the Fund has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and, at the same time, consume the benefits from these services.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

Segment reporting
The Board has assessed that the sole operating segment is the Fund itself considering that all decisions and the assessment of the performance are made on the basis of the operating results of the Fund; a consolidated approach to assess performance and allocate resources (Note 6).

b) Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Fair value of investment properties
Investment properties are stated at fair value, which has been determined based on valuations performed by CBRE and JLL in their capacity as an accredited independent valuers, as at 31 December 2024. CBRE and JLL have acquired significant expertise in valuing these types of investment properties.

The Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Transaction costs normally borne by the seller are not deducted prior to arriving at Market Value.

Fair value is derived by deduction of those costs normally borne by the purchaser from the Market Value.

The Valuation Advisers derive the Market Value by applying the methodology and valuation guidelines as set out in the practice statements of the current RICS Valuation-Professional Standards' (the 'Red Book'), and the requirements of IAS 40.

The determined Market Value of the investment properties is most sensitive to the estimated yield as well as the long term vacancy rate.

The valuations of investment properties are based upon estimates and subjective judgements that may vary from the actual values and sales prices that may be realised by the Fund upon ultimate disposal.

As at 31 December 2024, the Fund's Valuation Advisers have provided a Market Conditions disclosure. The wording used by CBRE is quoted below:

External influences continue to affect some property markets and there continues to be a degree of polarisation between primary and secondary class assets. However, there are also signs that capital values are stabilising in several sectors.

Experience has shown that consumer and investor behaviour can quickly change during fluctuating market conditions. It is important to note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to the current environment.

The wording used by JLL is quoted below:

Transactions across markets and sectors remain low, for a variety of reasons. The full implications of wars in the Middle East and Ukraine are unknown. Instability in these regions and beyond may compound already difficult real estate market conditions. This is likely to be exacerbated when coupled with inflationary pressures and other factors impacting the global economy, including the cost and availability of debt. The combination heightens the potential for volatility and quick changes in consumer and investor behaviors. In recognition of the potential for market conditions to change rapidly, we highlight the critical importance of the valuation date and confirm the conclusions in our report are valid at that date only, and advise you to keep the valuation under regular review.

For developments: The development market especially faces challenges that are influencing the costs of construction and construction programs. These issues, together with the risk of developer an/or contractor insolvency and a limited skilled labor force, risk causing increased volatility in land value and development project viability.

Recognition and measurement of income and deferred taxes

The Fund is subject to income and capital gains taxes in numerous jurisdictions. Significant judgement is required in determining the total provision for income and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain during the ordinary course of business. The Fund recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the year in which the determination is made.

Estimating the incremental borrowing rate

The Fund cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Fund would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Fund 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Fund estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates such as the subsidiary's stand-alone credit rating. The IBR used by the Fund as at 31 December 2024 were 2.005% for Klara Strand Property AB and 3.70% for Asunto Oy Tampereen Rehtori (31 December 2023 was 2.005% for Klara Strand Property AB and 3.70% for Asunto Oy Tampereen Rehtori).

Provision for expected credit losses of accounts receivables and contract assets

The Fund uses a provision matrix to calculate ECLs for accounts receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns such as by geography, property type, customer type and rating, and coverage by credit insurance.

The provision matrix is initially based on the Fund's historical observed default rates. The Fund will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Fund's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

4 Financial risk management

Objective and policies

The Fund's principal financial liabilities comprise bank loans. The main purpose of these financial liabilities is to raise finance for the Fund's operations. The Fund has various financial assets such as loan receivables, accounts receivable and cash and short term deposits, which arise directly from operations. The Fund may also enter into derivatives transactions, primarily interest rate swaps and forward currency contracts.

The main financial risks to which the Fund is exposed are real estate valuation risk, interest rate risk, liquidity risk, foreign currency risk and credit risk. Apart from financial risk, the operational risks which arise in the course of business are risks related to investment property and Fund operations. The Board reviews and agrees policies for managing each of these risks which are summarised below.

Risks related to investment property

Real estate values can be affected by a number of factors including changes to global or local economic conditions, local market conditions, the financial conditions of tenants, the availability of debt financing, changes in interest rates, real estate tax rates and other operational expenses, environmental laws and regulations, planning laws and other governmental legislation, energy prices, the relative attractiveness of real estate types or locations and other factors which are beyond the control of the Board or the AIFM. In addition, real estate is subject to long-term cyclical trends that give rise to significant volatility in values.

Although it is anticipated that rental growth will take place, this is not guaranteed. Rent default could have an adverse impact on the performance of the Fund. Real estate values are affected by the ability of the property and asset managers to provide maintenance and to maintain the recoverability of service charge and other expenditure and to control these and other costs.

The nature of real estate acquisitions and disposals may mean that considerable costs are incurred without the completion of an acquisition, disposal, financing or leasing of real estate. These costs are not recoverable and the Fund will be liable for them, reducing potential investor returns as a consequence.

The value of the real estate assets is determined by the opinion of the Valuation Advisers and is therefore subjective. No assurance can be given that any given real estate asset could be sold at a price equal to the fair value ascribed to it.

Investors should be aware that the construction, redevelopment or repositioning of properties carries a number of attendant risks. Suitable tenants may not be found for the properties which could lead to the Fund owning vacant properties which do not produce sufficient income to meet expenses and provide a suitable return to the Fund. Other risks associated with construction, redevelopment or repositioning include the risk of delays in the construction timetable resulting in a property not reaching a stage where it is reasonably fit for occupancy or causing the project costs to exceed budgeted costs, and the risk of bad craftsmanship by contractors. Similarly, there may be planning risks arising from difficulties in obtaining planning consents and licences which delay the construction timetable.

The Fund has entered into forward funding developments whereby it makes available development funding from which the developer can request drawdowns based on the development costs incurred. The Fund's total commitment to the development is capped. The developer agrees to carry out and complete the development and as such takes on the associated development risks. The risks to the Fund, including failure of the developer, are mitigated by back-ending fee payments to the developer (with appropriate incentives), step-in rights for the Fund, and a guarantee from the developer's parent company, if required. Additionally, the Fund has clear controls over the release of its funds over the course of the development. Risk is also mitigated by the fact that the total cost of the development, including the land, at the time of building is forecast to be lower than the value of the completed development. There can be no assurance, however that losses will not be incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

The Fund may be liable for the costs of removal or remediation of hazardous or toxic substances located on or in a property held by it. The presence of such substances may also adversely affect the ability of the Fund to sell or lease the property or to borrow using the property as collateral. Generally, the Asset Manager will perform market practice environmental due diligence of all of the properties that would be acquired. There can be no assurance, however, that such due diligence will reveal the environmental liabilities relating to such properties.

The Fund will maintain comprehensive insurance cover on its real estate assets in amounts sufficient to permit replacement in the event of loss, subject to availability of insurance on commercially reasonable terms and conditions. However, certain types of losses (generally of a catastrophic nature such as earthquakes, floods, hurricanes and terrorism) may be uninsurable or not economically insurable.

Risks related to the Fund
If the Fund suffers significant redemptions, the Portfolio Manager may be forced to recommend the disposal of real estate assets more quickly than would otherwise be advisable. Sales of this nature may result in a less than favourable price being obtained in the market.

The Fund depends significantly on the Portfolio Manager. The replacement of the Portfolio Manager would cause disruption to the Fund.

Although the Portfolio Manager will monitor the performance of each real estate asset, it will be primarily the responsibility of the Asset Manager and the local property managers to operate the Fund investments on a day-to-day basis.

In accordance with its Investment Policy, the Fund will seek to invest in a diversified portfolio of commercial real estate assets in Europe. However, there is no guarantee that the Fund will always be able to maintain a broadly diversified portfolio by sector and geographic area. The relative concentration of investments in one sector or geographic area could make the Fund more susceptible to a single economic, political, social or other event adversely affecting several investments than would be the case if the real estate assets were more diversified. It is possible that the Fund will make a limited number of investments and, as a consequence, the aggregate return of the Fund may be substantially affected by the unfavourable performance of a single investment.

If an investor fails (for whatever reason) to pay to the Fund sums requested following the issue of a drawdown notice, it may be difficult for the Fund to make up the shortfall from other sources. This may affect the Fund's ability to complete a planned investment and therefore affect the performance of the Fund.

Investors will not have an opportunity to evaluate the real estate investments made by the Fund. The investment discretion of the Fund will be managed by the Board and the relevant subsidiaries (acting on the advice of the Portfolio Manager) and accordingly the Fund and the relevant subsidiaries will have full discretion in managing the Fund's real estate investments. The rights and obligations of investors are set out in the Prospectus and, except for the rights reserved to them in the Prospectus and applicable law, investors will have no part in the management and control of the Fund.

The AIFM, the Portfolio Manager and the Asset Manager and their affiliates and employees may have various interests in (and may serve in different capacities as regards) the Fund, including the following: direct and indirect shareholdings in the Fund, and being a provider of certain Advisory services (for which a fee will be paid).

In particular, such persons may be a party to, or interested in, any transaction or arrangement with the Fund, including the contribution of the Seed Portfolio which was contributed to the Fund by The Prudential Assurance Company Limited, an affiliate of the AIFM and the Portfolio Manager.

There may be constraints when redeeming Shares in the Fund as real estate assets are relatively illiquid compared to bonds and equities. Liquidity is a measure of how easily an investment can be traded.

Although Shares are freely transferable, it is possible that no market in relation to the Shares will develop. The ability of Shareholders to find a buyer for their Shares in the market, and the price at which they trade, will depend on market sentiment. Shares may trade at a discount to NAV and it may be difficult for a Shareholder to dispose of all or part of his Shares at any particular time or at an appropriate price.

Currency risk

The value, in Euro terms, of any of the Fund's real estate assets that are not denominated in Euro may rise or fall purely on account of exchange rate fluctuations, which will have a related effect on the value of the Shares. During the year, the Fund owned assets and liabilities denominated in Swedish Krona (SEK), Danish Krone (DKK) and Polish Zloty (PLN). In the case of Poland, the rents are denominated in Euros, and the market practice for core assets is to price in Euros, so the currency risk is not deemed material. According to the nature of the asset or liability the result of the exposure to the Swedish Krona and the Danish Krone is recorded against the 'Cumulative foreign currency translation reserve' in the Consolidated statement of financial position or in the Consolidated statement of comprehensive income.

The Fund's exposure to foreign currency risk is illustrated, based on notional amounts, by the following table, which demonstrates the sensitivity to an estimated change in exchange rates, with all other variables held constant, of the Fund's equity.

	As at 31 December 2024		As at 31 December 2023	
	SEK (+15%)	**SEK (-15%)**	**SEK (+15%)**	**SEK (-15%)**
Investment properties	25,018	(25,018)	63,236	(63,236)
Non-current assets classified as held-for-sale	46,139	(46,139)	–	–
Cash and cash equivalents	3,241	(3,241)	3,047	(3,047)
Other assets	3,604	(3,604)	4,253	(4,253)
Borrowings	(296)	296	(304)	304
Lease liability	(13,101)	13,101	(7,103)	7,103
Other liabilities	(3,979)	3,979	(3,332)	3,332
Net effect on the Fund's equity	**60,626**	**(60,626)**	**59,797**	**(59,797)**

	As at 31 December 2024		As at 31 December 2023	
	DKK (+15%)	**DKK (-15%)**	**DKK (+15%)**	**DKK (-15%)**
Investment properties	33,883	(33,883)	51,146	(51,146)
Cash and cash equivalents	6,427	(6,427)	4,607	(4,607)
Other assets	2,370	(2,370)	3,867	(3,867)
Borrowings	(13,239)	13,239	(18,986)	18,986
Other liabilities	(2,686)	2,686	(2,370)	2,370
Net effect on the Fund's equity	**26,755**	**(26,755)**	**38,264**	**(38,264)**

The exposure to non-Euro currencies as at 31 December 2024 is 12.68% of GAV (31 December 2023: 14.26%). The Fund's current strategy in relation to currency exposure is that, whilst the exposure to non-Euro currencies (excluding those that are closely pegged to the Euro) remains below 15% of GAV, there is no intention to hedge. At exposures in excess of 15% of GAV the Board will consider putting hedging in place if economic to do so.

Credit risk

The Fund's earnings, distributable cash flow and NAV could be adversely affected if a significant number of its tenants are unable to meet their lease obligations.

To ensure that tenants continue to be able to meet their credit terms, their financial viability is kept under review.

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Where appropriate the Fund obtains collateral in the form of bank deposits and/or bank guarantees.

The Fund applied ECLs to its lease receivables in accordance with IFRS 9. The Fund uses a provision matrix based on historical collection rates and accounts for forward looking information. At each reporting date the assumptions will be updated for observed default rates and estimates analysed. The percentage provisions applied to amounts outstanding is aligned with the Fund risk management system which is maintained in the day-to-day operations of the Fund.

Accounts receivable are stated net of any provisions, and without any set off of deposits or guarantees. The Fund's maximum exposure to credit risk is represented by the balance disclosed in the Consolidated statement of financial position.

	As at 31 December 2024	As at 31 December 2023
Accounts receivable	23,782	23,026
Provision for expected credit losses	(3,372)	(5,661)
Other accounts receivable	–	3,228
Loans receivable	104,806	86,097
Other assets	47,940	43,610
Loans to joint ventures	34,984	30,746
Total	**208,140**	**181,046**

The ageing analysis of accounts receivable is as follows:

		Accounts receivable Past due					
31 December 2024	**Not yet due**	**<30 days**	**30-60 days**	**60-90 days**	**90-120 days**	**>120 days**	**Total**
Carrying amount	15,165	2,843	898	323	1,283	3,270	23,782
Expected credit loss	(217)	(96)	(848)	2	(166)	(2,047)	(3,372)
Net amount	**14,948**	**2,747**	**50**	**325**	**1,117**	**1,223**	**20,410**

		Accounts receivable Past due					
31 December 2023	**Not yet due**	**<30 days**	**30-60 days**	**60-90 days**	**90-120 days**	**>120 days**	**Total**
Carrying amount	12,226	1,198	1,046	1,031	853	6,672	23,026
Expected credit loss	(431)	(39)	(72)	(318)	(354)	(4,447)	(5,661)
Net amount	**11,795**	**1,159**	**974**	**713**	**499**	**2,225**	**17,365**

With respect to credit risk arising from other financial assets of the Fund, which comprise cash and cash equivalents and certain derivatives instruments, the Fund's exposure to credit risk arises from default of the counterparty, with the maximum exposure equal to the carrying amount of these instruments.

Cash balances and short-term cash deposits are held and derivatives are entered into only with financial institutions with a high credit rating. The Fund has policies and controls in place to monitor the amount of credit exposure to any financial institution.

Cash balances and short-term cash deposits are held with various banks in order to minimise the concentration of credit risk.

At 31 December 2024, the Fund had no short-term deposits (2023: €19.4m).

As at 31 December 2023, MEP Industrial Centre Denmark S.à r.l., MEP Industrial Centre Madrid S.à r.l., Hemmer (Holding) S.à r.l., Hemmer S.à r.l., Mainzer Landstrasse 61 S.à r.l. and Rios Rosas S.à r.l. held notice deposits with RBSi of €8.7m, €1.2m, €2.3m, €3.0m, €0.7m and €3.5m, respectively and bearing an interest rate of 4.20%. These short-term cash deposits had a notice period of 35 days.

Interest rate risk

The Fund's exposure to the risk of changes in market interest rates relates primarily to the Fund's long-term debt obligations with changing interest rates. The Fund manages its exposure to interest rate risk mainly by borrowing long term fixed interest senior debt secured against investment properties. As at 31 December 2024 and 31 December 2023, the Fund was not exposed to any significant extent to interest rate fluctuations.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through appropriate and adequate credit lines and the ability of customers to settle obligations within normal terms of credit.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the date of the Consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	As at 31 December 2024					
Liabilities	**On demand**	**<3 mths**	**3-12 mths**	**1-5 years**	**>5 years**	**Total**
Interest bearing loans	–	41,687	24,663	163,010	15,934	245,294
Principal	–	40,250	20,500	158,595	12,704	232,049
Interest	–	1,437	4,163	4,415	3,230	13,245
Security deposits due to tenants	437	122	841	6,452	4,784	12,636
Lease liability	–	–	117,108	136	1,690	118,934
Accounts payable	–	5,631	–	–	–	5,631
Payable due to related parties	–	8,427	–	–	362	8,789
Income and other taxes payable	–	–	14,090	–	–	14,090
Subscriptions received in advance	–	50,881	–	–	–	50,881
Accrued expenses and other current liabilities	–	38,464	–	–	–	38,464
Total	**437**	**145,212**	**156,702**	**169,598**	**22,770**	**494,719**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Unless otherwise stated, amounts are expressed in thousands of EUR.

	As at 31 December 2023					
Liabilities	**On demand**	**<3 mths**	**3-12 mths**	**1-5 years**	**>5 years**	**Total**
Interest bearing loans	–	35,113	53,837	277,521	–	366,471
Principal	–	33,560	49,480	270,417	–	353,457
Interest	–	1,553	4,357	7,104	–	13,014
Security deposits due to tenants	438	343	1,420	7,481	5,349	15,031
Lease liability	–	–	2,099	8,396	55,387	65,882
Accounts payable	–	6,717	–	–	–	6,717
Payable due to related parties	–	9,321	–	–	4,159	13,480
Income and other taxes payable	–	–	13,632	–	–	13,632
Accrued expenses and other current liabilities	–	37,398	–	–	–	37,398
Total	**438**	**88,892**	**70,988**	**293,398**	**64,895**	**518,611**

Capital risk management

The Fund manages its capital to ensure that entities in the Fund will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Fund's overall strategy remains unchanged from last year.

According to the Prospectus, the total secured borrowing of the Fund is ordinarily limited to a maximum permitted level of 40% of the GAV. As at 31 December 2024, the Fund's secured borrowing was 5.03% (31 December 2023: 7.69%) of GAV.

Subject to the limits set out above, the Fund may utilise unsecured short term borrowing facilities from time to time to finance asset purchases in advance of drawing down capital commitments from investors, and/or to meet redemption requests, subject to an overall total borrowing limit (secured and unsecured) of 40% of GAV.

The capital structure of the Fund consists of net debt (borrowings as detailed in Note 18 offset by cash and cash equivalents) and equity of the Fund (comprising share capital, reserves, retained earnings and non-controlling interests).

The gearing ratios at the end of the reporting periods were as follows:

	As at 31 December 2024	**As at 31 December 2023**
Debt (net of transaction costs)	(231,249)	(352,657)
Cash and cash equivalents balance	390,936	359,731
Net debt	159,687	7,074
Equity	3,988,988	3,959,593
Net debt to equity ratio[a]	4.00%	0.18%

[a] The effective negative net debt to equity ratio results from cash and cash equivalents exceeding total debt obligations.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest input that is significant to the fair value measurement as a whole:

- Quoted (unadjusted) market prices in active markets for identical assets or liabilities (level 1);
- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable (level 2); and
- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (level 3).

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Fund determines whether transfers have occurred between the levels in the fair value hierarchy by reassessing categorisation at the end of each reporting period.

The following table analyses within the fair value hierarchy the Fund's assets and liabilities measured at fair value at 31 December 2024 and 31 December 2023:

Assets measured at fair value as at 31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties:				
Retail	–	–	849,988	849,988
Logistics	–	–	825,363	825,363
Office	–	–	1,337,870	1,337,870
Residential	–	–	514,969	514,969
	–	**–**	**3,528,190**	**3,528,190**
Non-current assets classified as held-for-sale	–	–	307,592	307,592
Loans receivable	–	–	104,806	104,806
Derivative financial instruments	–	1,640	–	1,640

Assets measured at fair value as at 31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties:				
Retail	–	–	857,156	857,156
Logistics	–	–	831,120	831,120
Office	–	–	1,668,048	1,668,048
Residential	–	–	424,950	424,950
	–	**–**	**3,781,274**	**3,781,274**
Non-current assets classified as held-for-sale	–	–	113,835	113,835
Loans receivable	–	–	86,097	86,097
Derivative financial instruments	–	3,615	–	3,615

Investment properties are classified as level 3, as the valuation methods use inputs that are not based on observable market data. Market Value is estimated through the application of valuation methods and procedures that reflect the nature of the property and the circumstances under which the given property would most likely trade in the market, as further disclosed in Note 2.3.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

5 Basis of Net Asset Value calculation

The Board has concluded that whereas the Consolidated Financial Statements of the Fund have been prepared in accordance with IFRS, compliance with certain requirements of IFRS conflicts with the objective of balancing investors' interests over time.

The Board believes that the NAV of the Fund, which is used for calculating the subscription and redemption price of Shares, should balance investors' interests over time and represent the best estimate of fair value based on the latest available information and on a basis consistent with accepted industry best practice. The adjustments considered by the Board to adjust the equity attributable to Shareholders of the Fund derived from IFRS, are listed below.

Deferred tax

The Board has made a best estimate of an adjustment to reflect the fair value of deferred tax liabilities related to the difference between the fair value of investment property and its tax book value or acquisition cost as applicable. This adjustment is necessary to take account of the likely method and timing of disposals of investment property through share deals, or otherwise under market conditions, or the timing of income tax payments for properties held in the portfolio. Such fair value adjustments have not been taken into account in the calculation of deferred tax liabilities under IFRS. On an asset by asset basis an estimate is made, taking into account the advice of the Valuation Advisers, of the proportion of the latent capital gains tax liability that would be attributable to the seller in a share sale. As at 31 December 2024, the assumed proportion of the latent capital gains tax that the Fund is assumed to suffer ranges from 0% to 100% (31 December 2023: 0% to 100%), and the weighted average for the 52 assets in the portfolio with latent capital gains are 66.45% (31 December 2023: 62.20%).

Investment properties

The Board has estimated that a portion of real estate transfer taxes ('RETT') should be added back to the valuation as determined by the Valuation Advisers for those assets where it is considered that such RETT will not be suffered taking into account the likely method of disposal. The extent to which RETT should be added back will be determined by the Board in accordance with current market practice. As at 31 December 2024, the assumed proportions range from 0% to 100% (31 December 2023: 0% to 100%), and the weighted average for the portfolio is 81.40% (31 December 2023: 78.52%).

Adjustment of debt obligations and instruments to fair value

The Board has made a best estimate of an adjustment to reflect the fair value of debt obligations and instruments.

Adjustment to reflect year end dividend

The Board has made an adjustment to reflect the dividend payable to Shareholders as at 31 December 2024. Whilst this dividend has not been approved as at 31 December, and therefore does not constitute a liability as prescribed by IFRS, the Board is of the view that this should be provided for in the 31 December NAV as it is calculated as part of the normal NAV calculation process.

Timing differences and other reconciling items

These adjustments relate to the late receipt of information after the publication of the NAV at the financial year end but having an impact on the net asset position at the balance sheet date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

6. Segment information

The Board has assessed that the sole operating segment is the Fund itself considering that all decisions and the assessment of the performance are made on the basis of the operating results of the Fund; a consolidated approach to assess performance and allocate resources.

Information on the revenue is disclosed attributing revenues from external customers to individual countries. Investment properties and investments in joint ventures are disclosed by the located country where the subsidiaries hold the investments.

i. Revenue from investment properties split by geographic area

Revenues from investment properties	Year ended 31 December 2024	Year ended 31 December 2023
Germany	52,561	46,869
France	50,544	53,529
Sweden	22,864	22,044
Denmark	20,421	23,092
Spain	18,651	17,555
Finland	16,582	16,771
Italy	12,052	11,940
Poland	11,596	9,794
the Netherlands	11,216	13,717
Portugal	11,130	10,319
Luxembourg	4,866	5,298
Belgium	3,463	8,286
Total	**235,946**	**239,214**

The revenue referred to above is based on the location of the real estate asset.

Revenues are derived from a large number of tenants and no single tenant or group under common control contributes more than 10% of the Fund's revenues, for the year ended 31 December 2024 and 31 December 2023.

ii. Carrying amount of investment properties split by geographic area

Carrying amount of investment properties included in non-current assets	As at 31 December 2024	As at 31 December 2023
France	908,655	887,200
Germany	738,738	793,818
Spain	444,797	350,353
Finland[a]	256,420	269,379
Italy	245,040	234,674
Denmark	225,885	264,441
the Netherlands	188,457	211,950
Sweden[b]	167,580	419,125
Portugal	158,780	154,900
Poland	110,372	104,517
Luxembourg	56,169	60,444
Belgium	27,297	30,473
Total	**3,528,190**	**3,781,274**

[a] The total of the Finnish property balance includes €0.8m related to the right-of-use asset in 2024 (31 December 2023: €0.8m).

[b] The total of the Swedish property balance includes €47.4m related to the right-of-use asset in 2023. As at 31 December 2024, the asset related to the entity Klara Strand Property AB is presented as 'Non-current asset classified as held-for-sale' following the Fund's intention to sell.

iii. Carrying amount of investments in joint ventures and loans to joint ventures

Carrying amount of investments in joint ventures and loans to joint ventures	As at 31 December 2024	As at 31 December 2023
Italy	135,885	119,227
Total	**135,885**	**119,227**

7 Investment properties

A breakdown of the portfolio of investment properties by sector is shown in the table below:

	Retail	Logistics	Office	Residential	Total
Carrying value as at 31 December 2022	**967,082**	**846,702**	**2,143,864**	**384,115**	**4,341,763**
Additions	(922)	(56)	(1,026)	70,462	68,458
Capital expenditure	6,070	33,635	2,602	35,773	78,080
Disposals	(15,738)	–	(65,342)	–	(81,080)
Net currency movement	(551)	(430)	(1,463)	–	(2,444)
Transfer to assets held-for-sale (Note 31)	(35,294)	–	(76,533)	–	(111,827)
Net loss from fair value adjustments	(63,491)	(48,731)	(332,906)	(65,488)	(510,616)
Right-of-use (Note 22)					
Net loss from fair value adjustments on right-of-use	–	–	(1,062)	88	(974)
Net currency movement on right-of-use	–	–	(86)	–	(86)
Carrying value of investment properties as at 31 December 2023	**857,156**	**831,120**	**1,668,048**	**424,950**	**3,781,274**
Lease incentives and commissions	7,814	7,249	25,777	1,038	41,878
Fair value as at 31 December 2023	**864,970**	**838,369**	**1,693,825**	**425,988**	**3,823,152**
Cost as at 31 December 2023	965,004	756,195	1,780,674	509,816	4,011,689
Insured value as at 31 December 2023	**952,058**	**1,369,170**	**1,859,635**	**379,827**	**4,560,690**
Insured value of investment properties held-for-sale as at 31 December 2023	**8,275**	**–**	**111,978**	**–**	**120,253**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

	Retail	Logistics	Office	Residential	Total
Carrying value as at 31 December 2023	**857,156**	**831,120**	**1,668,048**	**424,950**	**3,781,274**
Additions	–	24,940	(55)	80,671	105,556
Capital expenditure	2,251	12,667	7,085	17,914	39,917
Disposals	–	(44,282)	(54,277)	–	(98,559)
Net currency movement	(67)	(3,476)	(6,455)	–	(9,998)
Transfer to assets held-for-sale (Note 31)	–	–	(219,037)	–	(219,037)
Net loss from fair value adjustments	(9,352)	4,394	(10,084)	(8,586)	(23,628)
Right-of-use (Note 22)					
Lease modification adjustment	–	–	42,370	–	42,370
Transfer to assets held-for-sale (Note 31)	–	–	(87,341)	–	(87,341)
Net loss from fair value adjustments on right-of-use	–	–	(1,086)	20	(1,066)
Net currency movement on right-of-use	–	–	(1,298)	–	(1,298)
Carrying value of investment properties as at 31 December 2024	**849,988**	**825,363**	**1,337,870**	**514,969**	**3,528,190**
Lease incentives and commissions	7,363	7,915	27,067	937	43,282
Fair value as at 31 December 2024	**857,351**	**833,278**	**1,364,937**	**515,906**	**3,571,472**
Cost as at 31 December 2024	967,189	760,834	1,524,939	608,402	3,861,364
Insured value as at 31 December 2024	**881,708**	**1,302,071**	**1,457,454**	**565,973**	**4,207,206**
Insured value of investment properties held for sale as at 31 December 2024	**–**	**–**	**207,718**	**–**	**207,718**

Included within the carrying value of the investment properties line is €9.9m of investment property under construction (31 December 2023: €150.8m).

For the year ended 31 December 2024, expenditure on the investment properties is related mainly to Boreales Living SCI asset (asset development was completed in January 2024) for €11.8m, MEP Industrial Centre Getafe S.à r.l asset for €4.4m, MEP Industrial Centre Lódz Sp. z o.o. asset for €3.9m, Rue du Mars Clichy SCI asset for €3.1m, Aix-en-Provence SCI asset for €3.0m, MEP Industrial Centre Sosnowiec Sp. z o.o. asset for €1.8m, Dreieich S.à r.l. asset for €1.5m and LLD Logistics SNC asset (asset development was completed in January 2024, two properties under construction were acquired in December 2024) for €1.3m (31 December 2023: LLD Logistics SNC asset (property under construction) for €27.3m, Boreales Living SCI asset (property under construction) for €13.1m, Rue du Mars Clichy SCI asset for €11.4m, Aix-en-Provence SCI asset (property under construction) for €11.2m, extension of MEP Industrial Centre Lódz Sp. z o.o. asset for €5.3m, Dreieich S.à r.l. asset for €3.6m and Luisen Forum S.à r.l. asset for €1.9m).

Acquisitions of investment properties as per the Consolidated statement of cash flows comprises investment property acquisitions reduced by the non-controlling interests contribution.

For information on disposals of investment properties refer to Note 10.

A quantitative sensitivity analysis showing the impact on the directly held properties of ERV moving by +/-10%, together with a +/-0.5% movement in equivalent yield on valuation provided by CBRE is shown below:

	ERV -10%	ERV	ERV +10%
Equivalent yield -0.5%	1,973,122	2,168,529	2,364,333
Equivalent yield	1,840,505	2,022,782	2,202,549
Equivalent yield +0.5%	1,626,277	1,781,203	1,935,916

Amounts considered in the above CBRE sensitivity analysis table includes investment properties at MCF S.r.l. and Elle 14 S.r.l. at 50%, Badensche S.à r.l. at 89% and Düsseldorf Friedrichstraße 56 GmbH & Co. KG at 94.9%, in line with the percentage of control as per Note 28.

A quantitative sensitivity analysis showing the impact on the directly held properties of ERV moving by +/-10%, together with a +/-0.5% movement in equivalent yield on valuation provided by JLL is shown below:

	ERV -10%	ERV	ERV +10%
Equivalent yield -0.5%	1,960,162	2,125,509	2,290,856
Equivalent yield	1,764,620	1,908,610	2,055,220
Equivalent yield +0.5%	1,603,027	1,731,831	1,860,635

8 Investments in joint ventures

On 11 June 2024, the Fund increased its stake in MCF S.r.l. and Elle 14 S.r.l. by acquiring an additional 5% from EP European Holding S.à r.l.

The Fund controls 50% (2023: 45%) of MCF S.r.l. and Elle 14 S.r.l. which own properties located in Fiumicino, Rome, Italy.

The Fund's interest in the joint ventures is accounted for using the equity method in the Consolidated Financial Statements.

Summarised financial information of the joint ventures and a reconciliation with the carrying amount of the investments in the Consolidated Financial Statements are set out below:

	As at 31 December 2024	As at 31 December 2023
Historic cost		
At the beginning of the year	54,502	53,498
Dividend declared	–	(600)
Investment	9,205	1,604
At the end of the year	**63,707**	**54,502**
Net unrealised gains related to investments in joint ventures		
At the beginning of the year	33,979	23,228
Share of profit of joint ventures	3,215	10,751
At the end of the year	**37,194**	**33,979**
Share of equity at the end of the year	**100,901**	**88,481**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

MCF S.r.l. revenues, profit, aggregated assets and liabilities are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Revenue	19,046	18,539
Other operating expenses	(8,187)	(6,492)
Unrealised loss on derivatives	(500)	(682)
(Loss)/gain from fair value adjustments on investment property	(259)	14,960
Operating profit	**10,100**	**26,325**
Interest expense	(2,911)	(4,279)
Profit before tax	**7,189**	**22,046**
Current tax expense	(1,282)	(50)
Dividends paid[d]	–	(1,333)
Profit for the year	**5,907**	**20,663**

[d] The interim dividends were paid out of the profit of the joint venture during the years ended 31 December 2024 and 2023.

	As at 31 December 2024	As at 31 December 2023
Assets		
Non-current assets	243,280	241,432
Current assets	17,141	11,183
	260,421	**252,615**
Liabilities		
Non-current liabilities[a]	81,819	81,735
Current liabilities	5,385	3,570
	87,204	**85,305**
Net assets	**173,217**	**167,310**

[a] The Italian Government issued the Italian law decree 104/2020, known as 'Decreto Agosto', which introduced an option for the accounting and tax step-up of tangible asset value. This allowed MCF S.r.l. to re-evaluate its investment property by paying a substitution tax of 3% on the re-evaluated asset. The re-evaluated asset ('fair value reserve') would be liable to corporate income tax if the fair value reserve is distributed. However, since the Board of Directors does not intend to dispose of MCF S.r.l., deferred tax liability on the revaluation reserve is not recognised as of 31 December 2024.

As at 31 July 2017, Natixis and ING granted a loan to MCF S.r.l. of €29.55m each (total €59.10m), which bears interest of 3 month EURIBOR plus a margin of 1.80%, and repayment date of 8 August 2021. The loan was renewed in 2021 for a period of 5 years, bearing interest of 6 month EURIBOR plus a margin of 2%, and repayment date of 5 August 2026. Bayerische Landesbank has replaced Natixis in the new bank syndication. The loan facility is 80% hedged via an interest rate cap, providing protection against EURIBOR fluctuations during the term of the facility.

The Fund's share (45% from 1 January 2024 to 11 June 2024 and 50% from 12 June 2024 to 31 December 2024) of MCF S.r.l. revenue, profit and net assets are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Revenues	9,103	8,343
Profit for the year	2,822	9,298
Other reconciling items	62	62
Net assets	86,609	75,290

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

Elle 14 S.r.l. revenues, profit, aggregated assets and liabilities are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Revenue	6,779	6,229
Other operating expenses	(2,106)	(2,046)
(Loss)/gain from fair value adjustments on investment property	(844)	2,854
Operating profit	**3,829**	**7,037**
Interest expense	(2,465)	(2,564)
Profit before tax	**1,364**	**4,473**
Current tax expense	(534)	(51)
Deferred tax expense	(180)	(2,527)
Profit for the year	**650**	**1,895**

	As at 31 December 2024	As at 31 December 2023
Assets		
Non-current assets	76,400	77,111
Current assets	8,911	4,481
	85,311	**81,592**
Liabilities		
Non-current liabilities	48,373	48,702
Current liabilities	6,049	4,713
	54,422	**53,415**
Net assets	**30,889**	**28,177**

The Fund's share (45% from 1 January 2024 to 11 June 2024 and 50% from 12 June 2024 to 31 December 2024) of Elle 14 S.r.l. revenue profit and net assets are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Revenues	3,239	2,803
Profit for the year	306	853
Other reconciling items	450	450
Net assets	15,444	12,680

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

9 Loans to joint ventures

On 1 August 2016, the Fund granted a loan to MCF S.r.l., its joint venture investment, of €16,862,538 bearing interest of 4% per annum, and the repayment date of 1 August 2021. On 30 July 2021, the loan was renewed for the same amount and the repayment date extended until 5 September 2026, bearing an interest of 4.25%. During the year 2023, MCF S.r.l. repaid €6,300,000 of its loan and the total outstanding loan at year end is €10,382,538. On 11 June 2024, there was a loan assignment from EP European Holding S.à r.l. to M&G European Property Holding Company S.à r.l. of €1,173,615 and total outstanding at the year end is €11,736,153.

On 15 November 2021, the Fund has granted a loan to Elle 14 S.r.l., another joint venture investment, of €19,734,629 which bears interest of 5.95% and the repayment date of 5 September 2026. On 11 June 2024, there was a loan assignment from EP European Holding S.à r.l. to M&G European Property Holding Company S.à r.l. of €2,192,737 and total outstanding at the year end is €21,927,366.

A reconciliation with the carrying amount of the investment in the Consolidated Financial Statements is set out below:

	As at 31 December 2024	As at 31 December 2023
Balance at the beginning of the year	30,746	38,343
Additions	3,366	–
Loan repayments	–	(6,300)
Interest repayments	(852)	(3,160)
Interest income	1,724	1,863
Balance at the end of the year	**34,984**	**30,746**

As at 31 December 2024, the carrying amount of the loans to joint ventures approximates the fair value (Level 3).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

10 Disposal of subsidiaries and investment properties

During the year ended 31 December 2024, there were six disposals of investment properties:

- On 25 January 2024, the Fund disposed of the entity Toison d'Or S.A. for €40.9m (excluding transaction costs), for which the investment property was classified as held for sale as at 31 December 2023;
- On 1 July 2024, the Fund disposed of a property owned by Kloesterstraede 1 ApS for €2.3m (excluding transaction costs), for which the investment property was classified as held for sale as at 31 December 2023;
- On 1 July 2024, the Fund disposed of a property owned by MEP Industrial Centre K/S (Nordager 1-3, 6000 Kolding) for €44.2m (excluding transaction costs);
- On 1 July 2024, the Fund disposed of a property owned by Kalvebod Brygge 47 K/S for €80.6m (excluding transaction costs), for which the investment property was classified as held for sale as at 31 December 2023;
- On 17 July 2024, the Fund disposed of a property owned by Frederiksplein 42 S.à r.l. for € 17.0m (excluding transaction costs); and
- On 30 December 2024, the Fund disposed of a property owned by Ridlerstrasse S.à r.l. for €37.0m (excluding transaction costs).

	Toison d'Or S.A.	Kloesterstraede 1 ApS	MEP Industrial Centre K/S	Kalvebod Brygge 47 K/S	Frederiksplein 42 S.à r.l.	Ridlerstrasse S.à r.l.	Prior year disposal adjustments[a]	Total
Assets								
Investment properties	36,500	2,213	44,247	75,092	16,950	37,000	–	212,002
Cash and cash equivalents	3,241	–	–	–	–	–	–	3,241
Other current assets	505	–	–	–	–	–	–	505
Total assets	**40,246**	**2,213**	**44,247**	**75,092**	**16,950**	**37,000**	**–**	**215,748**
Liabilities								
Current liabilities	(1,925)	–	–	–	–	–	–	(1,925)
Total liabilities	**(1,925)**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,925)**
Net assets	**38,321**	**2,213**	**44,247**	**75,092**	**16,950**	**37,000**	**–**	**213,823**
Transaction costs	430	100	82	108	189	363	–	1,272
Disposal price excluding non-controlling interest	**40,904**	**2,279**	**44,247**	**80,584**	**16,950**	**37,000**	**–**	**221,964**
Gain/(loss) on disposal	**2,153**	**(34)**	**(82)**	**5,384**	**(189)**	**(363)**	**(199)**	**6,670**

[a] Prior year disposal relates to purchase price and disposal cost adjustments in the current financial year for entities disposed in prior years as follows: Cortenberg 71 S.A. for -€55.5k, Hantverkaregaten 32 Malmo AB for -€116.4k and Investabroad 5, S.A. for -€27.5k.

During the year ended 31 December 2023, the following subsidiaries and investment properties were disposed:

- On 28 June 2023, the Fund disposed of a property owned by 13 ADN Monceau SCI for €37.3m (excluding transaction costs);
- On 10 July 2023, the Fund disposed of the entity Cortenbergh 71 S.A. for €31.9m (excluding transaction costs);
- On 13 July 2023, the Fund disposed of the entity Hantverkaregatan 32 Malmö AB for €9.1m (excluding transaction costs); and
- On 24 July 2023, the Fund disposed of a property owned by Calle Reyes S.à r.l. for €7.5m (excluding transaction costs).

	13 AND Monceau SCI	Cortenbergh 71 S.A.	Hantverkaregatan 32 Malmo AB	Calle Reyes S.à r.l.	Prior year disposal adjustments[a]	Total
Assets						
Investment properties	37,000	29,000	9,006	7,350	–	82,356
Cash and cash equivalents	–	1,759	187	–	–	1,946
Other current assets	–	578	212	–	–	790
Total assets	**37,000**	**31,337**	**9,405**	**7,350**	**–**	**85,092**
Liabilities						
Non current Liabilities	–	–	–	–	–	–
Current liabilities	–	(1,191)	(898)	–	–	(2,089)
Total liabilities	**–**	**(1,191)**	**(898)**	**–**	**–**	**(2,089)**
Net assets	**37,000**	**30,146**	**8,507**	**7,350**	**–**	**83,003**
Transaction costs	378	395	279	175	–	1,227
Disposal price excluding non-controlling interest	**37,329**	**31,899**	**9,070**	**7,500**	**–**	**85,798**
Gain/(loss) on disposal	**(49)**	**1,358**	**284**	**(25)**	**132**	**1,700**

[a] Prior year disposal relates to purchase price and disposal cost adjustments for entities disposed in 2022 as follows: Opera Trio Propco SPRL for €612k, Databankweg 26/28/30 BV for €98k and Investabroad 5, S.A. for -€578k.

11 VAT receivable

	As at 31 December 2024	As at 31 December 2023
VAT receivable[a]	12,170	12,365
Total	**12,170**	**12,365**

[a] VAT balance as of 31 December 2024 primarily consists of VAT receivable for the current financial year's operations. The majority of VAT receivable from the previous financial year have been recovered from the tax authorities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

12 Other current assets

	As at 31 December 2024	As at 31 December 2023
Accrued income[a]	7,644	11,722
Other receivables[b]	26,226	15,165
Cash guarantees and deposits	3,902	4,770
Pre-paid costs	10,168	11,953
Total	**47,940**	**43,610**

[a] During the year 2024, decrease in accrued income is largely driven by Marseille La Valentine SCI €3.3m and Hondsrugweg 74/108 BV €1.1m with regards to recharged service charge invoices for 2023.

[b] Consists mainly of net withholding tax amounting to €8.8m (31 December 2023: €8.4m) and other receivables amounting to €17.4m (31 December 2023: €6.6m). Other receivables are mainly related to loan interest at M&G European Property Holding Company S.à r.l. for €4.1m in relation to The Rock and Bologna forward funding loans, balances related to dissolved entities at M&G European Property (France) S.A.S. and Rennes 135 Holding S.à r.l. for €3.5m, advances paid for refurbishment at 3 Avenue Hoche SCI for €2.9m, property tax and accumulated interest refund for 2008-2010 period at Rios Rosas S.à r.l. for €1.7m, direct reimbursement at Friedrichstrasse 56 S.à r.l. for €1.0m.

13 Loans receivable

	As at 31 December 2024	As at 31 December 2023
Forward funding	110,907	85,402
Net (loss)/gain from fair value adjustments	(6,101)	695
Total	**104,806**	**86,097**
Less current portion of loan receivable	**(104,806)**	**(60,968)**
Net book value of non-current loan receivable	**–**	**25,129**

As at 31 December 2024 and 2023, the loans receivable consists of the following forward funding:

	As at 31 December 2024	As at 31 December 2023
Bologna	59,887	59,887
The Rock	51,020	25,515
Total forward funding	**110,907**	**85,402**

On 29 October 2020, the Fund committed to forward fund a student accommodation development in Bologna for €62.1m ('Bologna'). In 2022, the forward funding commitment was increased to €63.1m. The shares in the entity owning the asset will be acquired upon the practical completion of the development. As at 31 December 2024, the Fund had transferred €59.9m. The interest rate of the loan is 6.1%.

On 13 April 2022, the Fund committed to forward fund a student accommodation development in The Hague for €57.9m ('The Rock'). The shares in the entity owning the asset will be acquired upon practical completion of the development in March 2025. As at 31 December 2024, the Fund had transferred €51.0m. The interest rate of the loan is 2.0%.

The fair value of the assets under the Forward Funding as at 31 December 2024 are classified as level 3. The fair value of the loan receivable as at 31 December 2024 is sensitive to movements in the value of the underlying real estate assets which these loans are utilised to develop. Equally, the fair value of the loans are sensitive to the credit quality of the borrowers. The valuation of the underlying investment properties under construction are most sensitive to the equivalent yield, ERV, stage of construction and total development spend.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

14 Cash and cash equivalents

	As at 31 December 2024	As at 31 December 2023
Cash at bank	390,936	340,300
Short-Term cash deposits	–	19,431
Total	**390,936**	**359,731**

As 31 December 2024, the Fund had no short-term cash deposits (2023: €19.4m).

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Fund, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents is €390,935,870 (31 December 2023: €359,731,011).

15 Ownership of the Fund

Share subscriptions during the year ended 31 December 2024 were €104,869,930 (31 December 2023: €349,190,154).

During the year ended 31 December 2024, the following shares were issued by reinvestment of dividends:

- Class 'E' Income Shares 17,874.284 (31 December 2023: 27,168.737) issued by reinvestment of dividends totalling €1,531,545 (31 December 2023: €2,548,392); and
- Class 'F' Income Shares 98,005.573 (31 December 2023: 70,944.685) issued by reinvestment of dividends totalling €8,338,385 (31 December 2023: €6,641,762);

The holders of Income Shares receive a cash dividend on a quarterly basis; the Net Distributable Income attributable to Accumulation Shares is accumulated and reflected in the respective NAV per Share.

Share redemptions during the year ended 31 December 2024 were €65,453,069 (31 December 2023: €246,101,707).

Each Share, irrespective of Class and type, is entitled to one vote at meetings of Shareholders. Shares may be redeemed according to the provisions of the Prospectus.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

16 Dividends

Accumulated dividends per Income Share since inception	As at 31 December 2024	As at 31 December 2023
Class 'A' Income Shares	2,605	2,605
Class 'B' Income Shares	157	157
Class 'C' Income Shares	152,227	151,555
Class 'E' Income Shares	31,812	22,753
Class 'F' Income Shares	200,503	165,190
Class 'G' Income Shares	126,383	92,266
Class 'X' Income Shares	140,602	126,065
	654,289	**560,591**

Weighted average dividend per Income Share issued	Year ended 31 December 2024	Year ended 31 December 2023
Class 'A' Income Shares	–	–
Class 'C' Income Shares	2.35	2.42
Class 'E' Income Shares	2.78	2.58
Class 'F' Income Shares	2.99	2.63
Class 'G' Income Shares	2.90	2.70
Class 'X' Income Shares	2.72	2.60

17 Foreign currency translation reserve

	Year ended 31 December 2024	Year ended 31 December 2023
Balance at the beginning of the year	(55,909)	(54,510)
Arising during the year	(10,246)	(1,399)
Balance at the end of the year	**(66,155)**	**(55,909)**

The increased losses in the reserve during the year ended 31 December 2024 is due to change in the EUR to SEK exchange rate from 11.1325 at 31 December 2023 to 11.4415 at 31 December 2024 and the change in the EUR to DKK exchange rate from 7.4546 at 31 December 2023 to 7.4573 at 31 December 2024.

18 Interest bearing long-term bank loans

	As at 31 December 2024	As at 31 December 2023
Balance at the beginning of the year	**353,457**	**458,605**
Long term bank loans repaid[a]	(121,370)	(163,335)
New borrowings during the year	–	58,442
Foreign exchange impact	(38)	(255)
Balance at the end of the year	**232,049**	**353,457**

[a] During the year ended 31 December 2024, the Fund repaid loans related to Rennes 135 SCI for €30.5m, Republique 27/31 SCI for €19.0m, Klosterstrade 1 ApS for €1.2m, Kalvebod Brygge 47 K/S for €37.1m and Radlkoferstrasse 2 S.à r.l. for €33.6m (31 December 2023: Antibes 90/94 SCI for €20.0m, Luisen Forum S.à r.l. for €43.7m, Badensche S.à r.l. for €36.5m, Greenwalk SCI for €44.3m and Ridlerstrasse S.à r.l. for €18.9m).

	As at 31 December 2024	As at 31 December 2023
Loan transaction costs		
Balance at the beginning of the year	(3,951)	(5,617)
Additions during the year	–	(125)
Costs in relation to loan expired and repaid during the year	1,276	1,791
Balance at the end of the year	**(2,675)**	**(3,951)**
Amortisation		
Balance at the beginning of the year	2,567	3,676
Amortisation shown in interest expense (Note 25)	585	682
Amortisation in relation to loans expired and repaid during the year	(1,276)	(1,791)
Balance at the end of the year	**1,876**	**2,567**
Net book value of loan transaction costs	**(799)**	**(1,384)**
Net book value of proceeds from bank loans	**231,250**	**352,073**
Interest payable at the end of the year	(1)	584
Less current portion of bank loans	(60,749)	(83,624)
Net book value of non-current bank loans	**170,500**	**269,033**

Used and unused portions of these facilities are analysed as follows:

	As at 31 December 2024	As at 31 December 2023
Available facilities		
Secured loans	232,049	353,457
Unsecured loans	–	–
	232,049	**353,457**
Amounts drawn		
Secured loans	232,049	353,457
Unsecured loans	–	–
	232,049	**353,457**
Un-utilised loan facilities		
Secured loans	–	–
Unsecured loans	–	–
	–	**–**
Value of pledged assets		
Investment property	542,199	776,390
	542,199	**776,390**

The breakdown of the bank loans by maturity is shown in the table below:

	As at 31 December 2024	As at 31 December 2023
Bank loans maturing within 1 year	60,750	83,040
Bank loans maturing between 1 and 5 years	158,595	270,417
Bank loans maturing beyond 5 years	12,704	–
	232,049	**353,457**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Unless otherwise stated, amounts are expressed in thousands of EUR.

Summary of facilities

Lender: Berlin Hyp AG	
Principal borrowers:	Dreiech S.à r.l.
First drawdown	July 2020
Repayment date	July 2025
Gross interest margin	0.78%
Interest payment	Quarterly
Funding base	Fixed
Lender: Berlin Hyp AG	
Principal borrowers:	Herlev – Big Shopping PropCo ApS
First drawdown	January 2023
Repayment date	January 2026
Gross interest margin	3.78%
Interest payment	Quarterly
Funding base	Fixed
Lender: Danske Bank	
Principal borrower:	Vimmelskaftet 32-34 K/S
First drawdown	April 2015
Repayment date	March 2045
Gross interest margin	0.53%[a]
Interest payment	Quarterly
Funding base	Fixed
Lender: Danske Bank	
Principal borrowers:	Vimmelskaftet 30 APS
First drawdown	March 2016
Repayment date	March 2046
Gross interest margin	1.36%[b]
Interest payment	Quarterly
Funding base	Fixed
Lender: Skandinaviska Enskilda Banken AB	
Principal borrower:	Kiinteisto Oy Alvar Aallonkatu 3
First drawdown	January 2020
Repayment date	January 2025
Gross interest margin	0.80%
Interest payment	Semi-annual
Funding base	Fixed
Lender: Caixa Bank S.A.	
Principal borrower:	Rios Rosas S.à r.l.
First drawdown	September 2021
Repayment date	September 2026
Gross interest margin	3M EURIBOR+1.10%
Interest payment	Quarterly
Funding base	Floating with interest rate CAP

[a] As per the Agreement, the gross margin is 0.53% until 1 April 2026 when it will be re-set again.

[b] As per the Agreement, the gross interest rate is 0.49% until 1 April 2025 when it will be re-set again.

The fair value of the interest bearing bank loans, together with the carrying amounts shown in the Consolidated statement of financial position are as follows:

	As at 31 December 2024		As at 31 December 2023	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Interest bearing bank loans	231,249	231,041	352,657	346,151

The fair value of interest bearing loans is calculated using the comparable bond approach by reference to prevailing market data and the yield on comparable bonds. Interest bearing loans are classified as level 2 in the fair value hierarchy as the valuation method uses inputs that are based on observable market data.

19 Accrued expenses and other current liabilities

	As at 31 December 2024	As at 31 December 2023
Accrued acquisition costs	3,688	2,881
Accrued property taxes	2,411	3,156
Tenant prepayments	4,455	5,456
Other operating activity	20,342	18,117
VAT payable	7,568	7,788
Total	**38,464**	**37,398**

20 Financial instruments

a) Interest rate caps

Interest rate cap agreements are classified as level 2 in the fair value hierarchy (refer to Note 4), as the valuation method uses inputs that are based on observable market data.

	As at 31 December 2024	As at 31 December 2023
Derivative financial instruments assets fair value of the swap (economic hedge)		
Balance at the beginning of the year	3,615	7,268
Movement in fair value	(1,975)	(2,987)
Other movements[3]	–	(666)
Balance at the end of the year	**1,640**	**3,615**
Less current portion of derivative financial instruments	–	–
Derivative financial instruments, net of current portion	1,640	3,615

[3] Other movements during 2023 relates to termination of the cap agreement at Antibes 90/94 SCI.

The effect of changes in fair value has been included in 'Finance income and finance costs' (Note 25).

Cap agreement

Buyer:	Rios Rosas S.à r.l.
Effective date	29 September 2021
Termination date	30 September 2026
Notional amount	EUR 83,500,000
Seller:	Caixabank, S.A.
Cap-Rate	1.0% pa
Base-Rate	EURIBOR 3 month

b) Financial instruments by measurement categories (IFRS 9)

Financial assets as at 31 December 2024	Balance	Financial assets at fair value through profit or loss	Financial assets at amortised cost (including cash and cash equivalents)
Non-current assets			
Loans to joint ventures	34,984	–	34,984
Derivative financial instruments	1,640	1,640	–
Current assets			
Accounts receivable	20,410	–	20,410
Loans receivable	104,806	104,806	–
Other current assets (Note 12)			
Other receivables	26,226	–	26,226
Cash guarantees and deposits	3,902	–	3,902
Cash and cash equivalents	390,936	–	390,936

Financial liabilities as at 31 December 2024	Balance	Financial liabilities at fair value through profit or loss	Other financial liabilities (measured at amortised cost)
Non-current liabilities			
Interest bearing bank loans	170,500	–	170,500
Payable to related parties	362	–	362
Security deposits due to tenants	11,236	–	11,236
Current liabilities			
Current portion of interest bearing bank loans and borrowings	60,749	–	60,749
Security deposits due to tenants	1,400	–	1,400
Accounts payable	5,631	–	5,631
Current portion of payable to related parties	8,427	–	8,427
Subscriptions received in advance	50,881	–	50,881
Accrued expenses and other current liabilities (Note 19)	30,896	–	30,896

Financial assets as at 31 December 2023	Balance	Financial assets at fair value through profit or loss	Financial assets at amortised cost (including cash and cash equivalents)
Non-current assets			
Loans to joint ventures	30,746	–	30,746
Loans receivable	25,129	25,129	–
Derivative financial instruments	3,615	3,615	–
Current assets			
Accounts receivable	20,593	–	20,593
Loans receivable	60,968	60,968	–
Other current assets (Note 12)			
Other receivables	15,165	–	15,165
Cash guarantees and deposits	4,770	–	4,770
Cash and cash equivalents	359,731	–	359,731

Financial liabilities as at 31 December 2023	Balance	Financial liabilities at fair value through profit or loss	Other financial liabilities (measured at amortised cost)
Non-current liabilities			
Interest bearing bank loans	269,033	–	269,033
Payable to related parties	4,159	–	4,159
Security deposits due to tenants	12,830	–	12,830
Current liabilities			
Current portion of interest bearing bank loans and borrowings	83,624	–	83,624
Security deposits due to tenants	2,201	–	2,201
Accounts payable	6,717	–	6,717
Current portion of payable to related parties	9,321	–	9,321
Accrued expenses and other current liabilities (Note 19)	29,610	–	29,610

21 Taxation

According to legislation presently in force, the Fund is not subject to corporate income or capital gains taxes in Luxembourg. It is, however, liable to an annual subscription tax based on the NAV of the Fund, payable quarterly, and assessed on the last day of each quarter. As the Fund is regulated under the SIF law, the rate is 0.01% per annum. This tax is reflected under 'Other Fund expenses' in the Consolidated income statement.

Real estate revenues, or capital gains derived thereon, may be subject to taxes by assessment, withholding or otherwise in the countries where the real estate is situated. This tax is reflected under 'Current tax expense' in the Consolidated income statement.

The Fund's subsidiaries amortise and depreciate their historical property cost according to applicable tax regulations. Such amortisation and depreciation is not reflected in the accompanying Consolidated Financial Statements, except to the extent that current taxable income has been reduced.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

The taxation income/expense is shown in the following table and recognises that revenue and expense items may affect the Consolidated Financial Statements and tax returns in different years (timing differences).

	As at 31 December 2024	As at 31 December 2023
Deferred tax liability relating to the difference between the tax base and fair market value		
Opening balance	**119,875**	**168,111**
Effect of revaluation of properties to fair value post acquisition	17,827	(47,429)
Effect of foreign currency translation	(291)	(179)
Effect of disposal by way of share deal	(719)	(628)
Closing balance	**136,692**	**119,875**
Income and other current taxes payable		
Income tax payable	12,067	12,056
Other current taxes payable	2,023	1,576
Total Income and other current taxes payable	**14,090**	**13,632**
Income tax payable		
Balance brought forward	12,056	13,615
Income tax expense	11,187	9,983
Tax paid	(11,176)	(11,542)
Closing balance	**12,067**	**12,056**

	Year ended 31 December 2024	Year ended 31 December 2023
Current tax expense		
Income taxes	11,187	9,983
Deferred tax expense/(income)		
Arising from assets	17,827	(47,429)
Total tax expense/(income) reported in the Consolidated income statement	**29,014**	**(37,446)**

A reconciliation between tax expense and the product of accounting profit multiplied by Luxembourg's tax rate for year ended 31 December 2024 and 31 December 2023 is as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Income tax reconciliation		
Profit/(loss) Before Tax	**120,627**	**(370,784)**
At Luxembourg's statutory tax rate of 24.94%	30,084	(92,474)
Tax impact of:		
Tax exempt income	(21,562)	(19,752)
Non-deductible expenses	30,062	39,750
Recognition of previously unrecognised deductable temporary differences	(17,069)	(25,254)
Losses for which deferred tax assets have not been recognised	12,339	45,827
Utilisation of previously unrecognised tax losses	(7,461)	(458)
Effect of different effective tax rates in other countries	3,417	13,636
Adjustments in respect of current income tax of previous years	(1,599)	(1,410)
Share of results of an associate and joint ventures	803	2,689
Total tax expense/(income) reported in the Consolidated income statement	**29,014**	**(37,446)**

At the year end, the Fund had tax losses of approximately €1,141,609,932 (31 December 2023: €500,166,194) that are available for set-off against future taxable profits of the subsidiaries in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

31 December 2024	**< 1 year**	**1 - 5 years**	**> 5 years**	**Total**
Carry forward losses available to set-off against future taxable profits	842	6,270	1,134,498	1,141,610
31 December 2023	**< 1 year**	**1 - 5 years**	**> 5 years**	**Total**
Carry forward losses available to set-off against future taxable profits	1,244	2,177	496,745	500,166

22 Rental leases

Fund as a lessor

The Fund leases out its investment property under operating leases. The terms of the leases are in line with normal practice in each market and are reviewed or subject to automatic inflationary increases as appropriate. Operating expenses, where applicable, are recharged to tenants either by way of direct charge or monthly service charges.

Future minimum rentals receivable under non-cancellable operating leases according to current rental agreements and market rates as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024		**31 December 2023**	
	Amount receivable	**%**	**Amount receivable**	**%**
Within 1 year	198,605	20.21	198,571	19.69
Between 1 and 2 years	165,648	16.85	173,628	17.22
Between 2 and 3 years	131,125	13.34	137,110	13.60
Between 3 and 4 years	102,002	10.38	105,426	10.46
Between 4 and 5 years	79,252	8.06	78,686	7.80
5 years and more	306,193	31.16	314,819	31.23
Total undiscounted lease payments	**982,825**	**100.00**	**1,008,240**	**100.00**

Fund as a lessee

The Fund holds one leasehold property that is classified as investment property (31 December 2023: 2). The property of Asunto Oy Tampereen Rehtori has a remaining lease term of 55 years. The lease term can be extended. The right-of-use asset has been classified within the same line as the underlying leasehold property in 'Investment Property'.

As at 31 December 2024, the leasehold property related to the entity Klara Strand Property AB is presented as 'Non-current asset classified as held-for-sale' following the Fund's intention to sell.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	As at 31 December 2024	**As at 31 December 2023**
Right-of-use asset		
At the beginning of the year	48,129	49,189
Net valuation loss on right-of-use asset during the year	(1,066)	(974)
Net currency movement	(1,298)	(86)
Lease modification adjustment[a]	42,370	–
Transfer to assets held-for-sale	(87,341)	–
Carrying value at the end of the year	**794**	**48,129**

The undiscounted lease maturity analysis of lease liabilities as at 31 December 2024 and 31 December 2023 are as follows:

	As at 31 December 2024	As at 31 December 2023
Less than one year	117,108	2,099
One to five years	136	8,396
More than five years	1,690	55,387
Total undiscounted lease liabilities at the end of the year	**118,934**	**65,882**
Lease liabilities included in the statement of financial position		
At the beginning of the year	48,129	49,189
Interest expense on lease liability	979	1,063
Lease payment	(2,045)	(2,005)
Lease payable	–	(32)
Net currency movement	(1,298)	(86)
Lease modification adjustment[a]	42,370	–
At the end of the year	**88,135**	**48,129**
Current	**87,374**	**2,016**
Non-current	**761**	**46,113**

[a] During the year ended 31 December 2024, the rent for the leased asset at Klara Strand Property AB was reviewed and increased from €2.0m (SEK23m) to €3.9m (SEK44.5m), effective retrospectively from Q4 2023, as per the contract signed in December 2024. As the right-of-use asset is measured at the present value of future lease payments, this rent increase resulted in an upward adjustment of €42.4m (SEK484m) to both the right-of-use asset and the corresponding lease liability.

23 Other property related expenses

	Year ended 31 December 2024	Year ended 31 December 2023
Maintenance and utilities	39,152	36,558
Insurance costs	2,537	2,475
Professional fees	545	450
Bad debts[a]	(377)	2,071
Land tax[b]	13,196	17,480
Total	**55,053**	**59,034**

[a] During the year ended 31 December 2024, bad debt provisions decreased by €2.4m, primarily attributable to the resolution of two tenant matters: €1.5m reduction related to TRIBES Frankfurt GmbH (Baseler Strasse Oval GmbH & Co KG) following a lease addendum signed in March 2024, establishing a debt payment plan and retrospective rent adjustments, €0.8m reduction related to Schoppe, Zimmermann, Stöckler, Zinkler, Schenk & Partner mbH (Radlkoferstasse 2 S.à r.l.) following debt settlement pursuant to lease addendum signed in March 2024.

[b] During the year ended 31 December 2024, the decrease in land tax is related to several entities, the main drivers are the favorable ruling by the High Court of Madrid in favor of Rios Rosas S.à r.l., which resulted in a property tax refund of €1.4m for the period 2008-2010, Toison d'Or S.A. (disposed in January 2024) for €0.7m, Marseille La Valentine SCI for €0.5m in relation to paid property tax for 2022 in 2023, Vimmelskaftet 30 ApS for €0.4m and Big Shopping PropCo ApS for €0.3m linked to reduced property tax, Cortenbergh 71 S.A. (disposed in July 2023) for €0.3m, Kalvebod Brygge 47 K/S for €0.4m and Klosterstraede 1 ApS for €0.1m (disposed in July 2024).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

24 Other Fund expenses

	Year ended 31 December 2024	Year ended 31 December 2023
Directors' fees	228	220
Valuation fees	642	613
Other professional fees[a]	2,645	4,487
Audit fees[b]	1,799	1,448
Fund domiciliation and administration fees	3,473	3,644
Subscription tax	387	421
Other general and administrative expenses	875	614
Total	**10,049**	**11,447**

[a] During the year ended 31 December 2024, the decrease in other professional fees is driven by various entities, mainly related to decrease in legal expenses at M&G European Property Holding Company S.à r.l. for €0.8m, MEP Industrial Centre Lódz Sp. z o.o. for €0.1m and MEP Industrial Centre Warsaw Sp. z o.o. for €0.1m.

[b] These fees are exclusively for audit services performed.

25 Finance income and finance costs

	Year ended 31 December 2024	Year ended 31 December 2023
Interest income on loans to joint ventures	1,724	1,863
Interest income on loans	4,071	3,706
Other interest income[a]	9,424	5,829
Unrealised exchange gains[b]	441	2,192
Other finance income[c]	892	–
Total finance income	**16,552**	**13,590**

[a] During year ended 31 December 2024, the increase in other interest income is mainly linked to higher bank interest income of €2.6m across several entities and interest income of €0.5m at Rios Rosas S.à r.l. due to the overall higher interest rate in 2024 compared to 2023, arising from the cap agreements.

[b] During year ended 31 December 2024, the decrease in unrealised exchange gains is mainly attributable to bank balances held in Polish currency by entities in Poland.

[c] For the year ended 31 December 2024, other financial income increased primarily due to the recognition of gains from loans termination at market value for €0.8m at Kalvebod Brygge 47 K/S and €0.1m at Klosterstraede 1 ApS.

	Year ended 31 December 2024	Year ended 31 December 2023
Interest payable brought forward	(584)	(110)
Interest paid	8,158	7,810
Lease liability interest expense (Note 22)	979	1,063
Payable carried forward	(1)	584
Interest expense	8,552	9,347
Other finance costs[a]	123	418
Unrealised exchange loss	475	1,246
Amortisation of debt transaction costs (Note 18)	585	682
Realised exchange losses	359	1,639
Realised loss on caps	–	138
Unrealised loss on caps	1,975	2,987
Total finance costs	**12,069**	**16,457**

[a] During the year ended 31 December 2024, the decrease in other finance costs is mainly linked to expenses on forward funding loans for The Rock incurred in 2023 financial year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

26 Earnings per Share

Basic earnings per Share are calculated by dividing net profit for the year attributable to each Class of Share in issue during the year, by the equivalent weighted average number of Shares issued during the year.

Diluted earnings per Share are calculated by dividing the net profit attributable to each Class of Share by the total number of each Class of Share as if fully issued during the year.

	Year ended 31 December 2024	Year ended 31 December 2023
Net profit/(loss) per Share Class		
Class 'C' Income Shares	511,762	(2,269,671)
Class 'C' Accumulation Shares	284,901	(1,968,704)
Class 'E' Income Shares	7,230,911	(26,504,481)
Class 'E' Accumulation Shares	294,303	(586,669)
Class 'F' Income Shares	26,665,662	(103,505,995)
Class 'F' Accumulation Shares	5,652,674	(17,011,525)
Class 'G' Income Shares	26,821,185	(93,769,227)
Class 'G' Accumulation Shares	9,531,779	(28,286,189)
Class 'X' Income Shares	11,123,939	(43,440,573)
Class 'X' Accumulation Shares	2,871,884	(13,066,966)

	Year ended 31 December 2024	Year ended 31 December 2023
Weighted average number of Shares in issue		
Class 'C' Income Shares	286,489	264,707
Class 'C' Accumulation Shares	159,490	229,606
Class 'E' Income Shares	3,260,402	3,290,949
Class 'E' Accumulation Shares	132,700	72,844
Class 'F' Income Shares	11,797,767	12,937,051
Class 'F' Accumulation Shares	2,500,929	2,126,244
Class 'G' Income Shares	11,754,061	11,754,061
Class 'G' Accumulation Shares	4,177,187	3,545,700
Class 'X' Income Shares	5,344,767	5,288,906
Class 'X' Accumulation Shares	1,379,866	1,590,908

	Year ended 31 December 2024	Year ended 31 December 2023
Profit/(loss) per Share net		
Class 'C' Income Shares	1.79	(8.57)
Class 'C' Accumulation Shares	1.79	(8.57)
Class 'E' Income Shares	2.22	(8.05)
Class 'E' Accumulation Shares	2.22	(8.05)
Class 'F' Income Shares	2.26	(8.00)
Class 'F' Accumulation Shares	2.26	(8.00)
Class 'G' Income Shares	2.28	(7.98)
Class 'G' Accumulation Shares	2.28	(7.98)
Class 'X' Income Shares	2.08	(8.21)
Class 'X' Accumulation Shares	2.08	(8.21)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

27 Transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

M&G plc is the ultimate parent company of the AIFM, the Portfolio Manager and the Asset Manager.

During the year, the Fund and its consolidated entities entered into several transactions with related parties. The related balances at 31 December and the transactions in the year then ended are presented below.

Annual Management Fee

The Annual Management fee is calculated as follows:

1.100% of the NAV attributable to Class 'C' Shares and Class 'D' Shares
0.800% of the NAV attributable to Class 'E' Shares and Class 'V' Shares
0.700% of the NAV attributable to Class 'F' Shares and Class 'W' Shares
0.650% of the NAV attributable to Class 'G' Shares and Class 'Z' Shares
0.875% of the NAV attributable to Class 'X' Shares and Class 'Y' Shares

and is reduced by the aggregate amount of fees paid directly by the local SPVs to the Asset Manager, including the Fund's share of fees paid to a third party asset manager in respect of services provided to a Co-Investment Entity.

	Year ended 31 December 2024	Year ended 31 December 2023
The AIFM	18,565	19,694

The Annual Management fee payable by the Fund as at 31 December 2024 amounts to €4,758,493 (31 December 2023: €5,127,794).

Domiciliation and administration fees

The Fund and its Luxembourg domiciled consolidated entities receive domiciliation and administration services from the AIFM, for which a fee is payable.

	Year ended 31 December 2024	Year ended 31 December 2023
The AIFM	570	584

The domiciliation and administration fees payable to the AIFM as at 31 December 2024 is €259,426 (31 December 2023: €276,603).

Portfolio management fees

Portfolio Management fees are borne by the AIFM.

Asset management fees

The Asset management fees are accrued and recognised on a quarterly basis. The fees are calculated using the fair value of the Investment Properties at the end of each quarter, at an annual rate of 0.25% (or 0.0625% per quarter).

Asset management activities were delegated to M&G Real Estate which is a related party. The Asset Management fees due to related parties of €9,690,689 (31 December 2023: €11,059,506) is broken down as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
M&G Real Estate	1,344	1,455
M&G Real Estate Paris branch	2,556	3,028
M&G Real Estate Stockholm branch	2,321	2,608
M&G Real Estate Frankfurt branch	2,093	2,427
M&G Real Estate Amsterdam branch	517	613
M&G Real Estate Polish branch	266	279
M&G Real Estate Milan branch	594	650

The Asset Management fee payable at 31 December 2024 and 31 December 2023 are as follows:

	As at 31 December 2024	As at 31 December 2023
M&G Real Estate	659	398
M&G Real Estate Paris branch	1,118	1,026
M&G Real Estate Stockholm branch	555	711
M&G Real Estate Frankfurt branch	766	722
M&G Real Estate Amsterdam branch	124	272
M&G Real Estate Milan branch	151	154

Other transactions with related parties

The loan payable balance to related parties relates to two loans: an amount of €397,766 (31 December 2023: €393,675) corresponding to a loan of the subsidiary Badensche S.à r.l., payable to the minority shareholder (including interest of €35,766 (31 December 2023: €31,675)), the Prudential Assurance Company Limited with a maturity date of 24 January 2028. On 7 June 2024, the Fund purchased the loan in the amount of €4,400,698 (31 December 2023: €4,400,698) from the minority shareholder of Dusseldorf Friedrichstrasse 56 GmbH & Co. KG, Art-Invest Real Estate GmbH.

28 List of consolidated entities

The list of consolidated entities under the control of the Fund which are fully integrated in the Consolidated Financial Statements as at 31 December 2024 is as follows:

Company Name	% Control	Country of Incorporation
Avenue des Arts 35 S.A.	100%	Belgium
Toison d'Or S.A.[a]	–	Belgium
Big Shopping Holding ApS	100%	Denmark
Herlev - Big Shopping PropCo ApS	100%	Denmark
Kalvebod Brygge 47 K/S	100%	Denmark
Klosterstræde 1 ApS	100%	Denmark
MEP Industrial Centre K/S	100%	Denmark
Vimmelskaftet 30 ApS	100%	Denmark
Vimmelskaftet 30 Holding ApS	100%	Denmark

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

Company Name	% Control	Country of Incorporation
Vimmelskaftet 32-34 K/S	100%	Denmark
Alvar Aallonkatu GP Oy	100%	Finland
Centaurus Finland KY	100%	Finland
Kiinteistö Oy Alvar Aallonkatu 3	100%	Finland
Kiinteistö Oy Vantaan Valimotie 18	100%	Finland
Kiinteistö Oy Vilhonvuorenkatu 2-4	100%	Finland
Kiinteistö Oy Helsingin Vilhovourenkatu 6	100%	Finland
Kurvi Holding Oy	100%	Finland
Loistotoimistot KY	100%	Finland
Vilhonvuorenkatu 6 Holding Oy	100%	Finland
Asunto Oy Espoon Centaurus	100%	Finland
Asunto Oy Espoon Helavalkea	100%	Finland
Asunto Oy Espoon Loru	100%	Finland
Asunto Oy Kauniaisten Markiisi	100%	Finland
Asunto Oy Kirkkonummen Tolsan Rinne 2	100%	Finland
Asunto Oy Sipoon Ruusunen	100%	Finland
Asunto Oy Nurmijärven Kauranjyvä	100%	Finland
Asunto Oy Tampereen Rehtori	100%	Finland
Asunto Oy Turun Beeta	100%	Finland
Asunto Oy Hämeenlinnan Vaihdepäällikkö	100%	Finland
Asunto Oy Vantaan Suitsu	100%	Finland
Greenwalk SCI	100%	France
ADN Monceau 13 SCI	100%	France
Antibes 90/94 (Holdings) S.à r.l.[b]	–	France
Antibes 90/94 SCI	100%	France
Aurientis Aixen-Provence SCI	100%	France
Boreales Living SCI	100%	France
3 Avenue Hoche SCI	100%	France
Heudebouville SAS	100%	France
97 Jean Jaures SNC	100%	France
L'Aube Troyes SCI	100%	France
Marseille La Valentine SCI	100%	France
M&G European Property (France) SAS	100%	France
Nauberg (Holdings) S.à r.l.[b]	–	France
Nauberg SCI	100%	France
Republique 27/31 (Holdings) S.à r.l.	100%	France
Republique 27/31 SCI	100%	France
Rennes 135 (Holdings) S.à r.l.	100%	France
Rennes 135 S.à r.l.[b]	–	France
Rennes 135 SCI	100%	France
Rue du Mars Clichy SCI	100%	France
PB Le Grand Lievre (Holdings) S.à r.l.[b]	–	France
PB Le Grand Lievre SCI	100%	France
Place Rio de Janeiro Paris SCI	100%	France
LLD Logistics SNC	100%	France
Düsseldorf Friedrichstraße 56 GmbH & Co. KG	94.90%	Germany

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Unless otherwise stated, amounts are expressed in thousands of EUR.

Company Name	% Control	Country of Incorporation
Baseler Strasse Oval GmbH & Co. KG	94.90%	Germany
Berlin Ringstrasse GmbH & Co. KG	94.90%	Germany
Objektgesellschaft Baseler Strasse Oval GmbH	99.74%	Germany
Objektgesellschaft Berlin Ringstrasse GmbH	99.69%	Germany
Verwaltungsgesellschaft Friedrichstrasse 56 GmbH	100%	Germany
Verwaltungsgesellschaft M&G European Property GmbH	100%	Germany
Padova S.r.l.	100%	Italy
9-11 Via Pola S.r.l.	100%	Italy
Via Torino Due S.r.l.	100%	Italy
Mainzer Landstrasse 61 S.à r.l.[b]	–	Luxembourg
Alvar Aallonkatu 3 S.à r.l.	100%	Luxembourg
Bad Homburg S.à r.l.	100%	Luxembourg
Badensche S.à r.l.	89%	Luxembourg
Maresme Barcelona S.à r.l.	100%	Luxembourg
Calle Llull S.à r.l.	100%	Luxembourg
Calle Reyes S.à r.l.	100%	Luxembourg
Centaurus Finland LP S.à r.l.[b]	–	Luxembourg
Dreieich S.à r.l.	100%	Luxembourg
Frederiksplein 42 S.à r.l.	100%	Luxembourg
Friedrichstrasse 56 S.à r.l.	100%	Luxembourg
Gran Via S.à r.l.	100%	Luxembourg
Hemmer S.à r.l.	100%	Luxembourg
Hemmer (Holding) S.à r.l.	100%	Luxembourg
Hilststraat 23 S.à r.l.	100%	Luxembourg
Kalvebod Brygge S.à r.l.	100%	Luxembourg
Luisen Forum S.à r.l.	100%	Luxembourg
M&G European Property Finance Company S.à r.l.	100%	Luxembourg
M&G European Property Holding Company S.à r.l.	100%	Luxembourg
M&G European Property GP 1 S.à r.l.	100%	Luxembourg
M&G European Property GP 2 S.à r.l.	100%	Luxembourg
M&G European Property GP 3 S.à r.l.	100%	Luxembourg
MEP Industrial Centre Denmark S.à r.l.	100%	Luxembourg
MEP Industrial Centre Getafe S.à r.l.	100%	Luxembourg
MEP Industrial Centre Kalsruhe S.à r.l.	100%	Luxembourg
MEP Industrial Centre Madrid S.à r.l.	100%	Luxembourg
Neuwied S.à r.l.	100%	Luxembourg
Radlkoferstrasse 2 S.à r.l.	100%	Luxembourg
Ridlerstrasse S.à r.l.	100%	Luxembourg
Rinteln S.à r.l.	100%	Luxembourg
Rios Rosas S.à r.l.	100%	Luxembourg
Vimmelskaftet S.à r.l.	100%	Luxembourg
Wuppertal S.à r.l.	100%	Luxembourg
Hondsrugweg 74/108 B.V.	100%	the Netherlands
's-Heerenberg Logistics B.V.	100%	the Netherlands
Staalsteden 25 B.V.	100%	the Netherlands
Zuidblokken B.V.	100%	the Netherlands
MEP Industrial Centre Łódź sp. z o.o.	100%	Poland

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

Company Name	% Control	Country of Incorporation
MEP Industrial Centre Poznań sp. z o.o.	100%	Poland
MEP Industrial Centre Sosnowiec sp. z o.o.	100%	Poland
MEP Industrial Centre Warsaw sp. z o.o.	100%	Poland
Cleekshire Investments S.A.	100%	Portugal
Investabroad 1, S.A.	100%	Portugal
Investabroad 2, S.A.	100%	Portugal
Investabroad 3, S.A.	100%	Portugal
Investabroad 4, S.A.	100%	Portugal
Arendalsvägen Property AB	100%	Sweden
Hantverkaregatan 32 Malmö (Holding) AB	100%	Sweden
Herstaberg Logistikcenter AB	100%	Sweden
Lyckobrunnen AB	100%	Sweden
Näringsparadiset (Holding) Company AB	100%	Sweden
Näringsparadiset II AB	100%	Sweden
Klara Strand Property AB	100%	Sweden
Stora Myrfast AB	100%	Sweden
MEP Industrial Centre Ontigola S.L.U.	100%	Spain
MEP Marina Living S.L.U.[c]	100%	Spain

The list of joint ventures accounted for using the equity method is as follows:

Company Name	% Control	Country of Incorporation
MCF S.r.l.[d]	50%	Italy
Elle 14 S.r.l.[d]	50%	Italy

[a] Disposed during the year 2024.

[b] Liquidated during the year 2024.

[c] Acquired during the year 2024.

[d] During the year 2024, the Fund increased its ownership in the joint ventures to 50% (2023: 45%).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

29 Portfolio analysis

	as at 31 December 2024				
Number of properties	**€m 0-19.9**	**€m 20-29.9**	**€m 30-39.9**	**€m 40+**	**Total**
Germany	2	1	1	8	12
France	3	4	5	8	20
Portugal	1	2	1	1	5
Spain	2	2	2	2	8
Denmark[a]	1	3	–	1	5
Sweden	1	–	3	2	6
the Netherlands	–	2	2	1	5
Poland	–	2	2	–	4
Belgium	–	1	–	–	1
Finland	11	3	–	1	15
Italy	1	1	1	3	6
Luxembourg	–	–	–	1	1
Total	**22**	**21**	**17**	**28**	**88**

[a] The number of properties disclosed here includes properties held through MCF S.r.l. and Elle 14 S.r.l.

	as at 31 December 2023				
Number of properties	**€m 0-19.9**	**€m 20-29.9**	**€m 30-39.9**	**€m 40+**	**Total**
Germany	2	1	1	9	13
France	3	3	3	9	18
Portugal	1	2	1	1	5
Spain	3	1	2	1	7
Denmark[a]	3	2	–	3	8
Sweden	1	–	2	3	6
the Netherlands	1	1	3	1	6
Poland	–	3	1	–	4
Belgium	–	–	2	–	2
Finland	11	3	–	1	15
Italy[b]	–	1	1	3	5
Luxembourg	–	–	–	1	1
Total	**25**	**17**	**16**	**32**	**90**

[a] Vimmelskaftet 30 and Klosterstræde 1 are recognised as separate assets.

[b] The number of properties disclosed here includes properties held through MCF S.r.l. and Elle 14 S.r.l.

30 Contingencies and Commitments

The Fund, through its direct and indirect subsidiaries, may be contingently liable with respect to lawsuits and other matters that arise in the normal course of business. The Board is not aware of any contingencies which would have a material effect on the Fund's financial position and operations.

The French Tax Authority ('FTA') continues to challenge the validity of the valuation adjustments made in relation to the Capucins Thionville SNC asset in 2017. The Fund and the Fund's valuers do not agree with the FTA assessment and the Fund has challenged the FTA position. The value of the tax at risk is approximately €0.7m. The Fund is awaiting the view of the Commission in relation to its challenge. Following the dissolution of Capucins Thionville SNC in 2023, M&G European Property Holding Company S.à r.l. inherited the case.

On 29 October 2020, the Fund committed to forward fund student accommodation development in Bologna for €62.1m ('Bologna'). In 2022, the forward funding commitment has been increased to €63.1m. As at 31 December 2024, the Fund has transferred €59.9m.

On 13 December 2024, the Fund entered into forward funding agreements to acquire two developments in France through its existing entity, LLD Logistics SNC, for €48.3m. As at 31 December 2024, the Fund has transferred €9.7m.

On 13 April 2022, the Fund committed to forward fund student accommodation development in The Hague for €57.9m ('The Rock'). As at 31 December 2024, the Fund has transferred €51.0m.

31 Non-current assets classified as held for sale

As at 31 December 2024, the asset related to the entity Klara Strand Property AB is presented as 'non-current asset classified as held-for-sale'. Furthermore, the Fund signed a share purchase agreement for the sale of the entity on 25 March 2025. The sale was completed on 1 April 2025 with proceeds from sale amounting to €242.0m (SEK2,626m).

As at 31 December 2023, the asset related to the entity Toison d'Or is presented as 'non-current asset classified as held-for-sale'. The Fund signed a share purchase agreement for the sale of the entity on 25 January 2024. The sale was completed on the day with proceeds from sale amounting to €40.9m.

As at 31 December 2023, the asset related to the entity Klosterstræde 1 ApS is presented as 'non-current asset classified as held-for-sale' following the Fund's intention to sell.

As at 31 December 2023, the asset related to the entity Kalvebod Brygge 47 K/S is presented as 'non-current asset classified as held-for-sale' following the Fund's intention to sell.

	Retail	Office	Total
Carrying value as at 31 December 2022	–	–	–
Additions	35,294	76,533	111,827
Carrying value of investment properties as at 31 December 2023	**35,294**	**76,533**	**111,827**
Lease incentives and commissions	1,206	802	2,008
Fair value as at 31 December 2023	**36,500**	**77,335**	**113,835**

As at 31 December 2023	**Toison d'Or S.A.**	**Klosterstræde 1 ApS**	**Kalvebod Brygge S.à r.l.**
Investment properties classified as held-for-sale	35,294	2,213	74,320
Lease incentives	1,206	–	802
Non-current assets classified as held-for-sale	**36,500**	**2,213**	**75,122**

	Retail	Office	Total
Carrying value as at 31 December 2023	**35,294**	**76,533**	**111,827**
Additions	–	219,037	219,037
Revaluation	–	123	123
Lease incentives	–	(123)	(123)
Disposals	(35,294)	(76,503)	(111,797)
Effect of unrealised currency movements	–	(30)	(30)
Carrying value of investment properties as at 31 December 2024	**–**	**219,037**	**219,037**
Right-of-use asset	–	87,341	87,341
Lease incentives and commissions	–	1,214	1,214
Fair value as at 31 December 2024	**–**	**307,592**	**307,592**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

As at 31 December 2024	Klara Strand Property AB
Investment properties classified as held-for-sale	219,037
Right-of-use asset	87,341
Lease incentives	1,214
Non-current assets classified as held-for-sale	**307,592**

32 Subscriptions received in advance

	As at 31 December 2024	As at 31 December 2023
Monies received on subscription pending settlement	50,881	–
Total	**50,881**	**–**

33 Events after the end of the reporting period

The Board has evaluated post balance sheet events up to 22 April 2025, which is the date the Consolidated Financial Statements were authorised for issue, and have concluded that there are no material events that require disclosure or adjustments other than those listed below.

On 2 January 2025, an amount of €209,307 and €1,984,191 was reinvested in Class 'E' and Class 'F' Income Shares, respectively.

Subscriptions and redemptions on the Dealing Day falling on 2 January 2025 were as follows:

	Subscriptions	Redemptions
2 January 2025	50,975,230	–

On 28 February 2025, the following dividends were paid by the Fund:

	(€ '000)	per Share (€)
Class 'C' Income Shares	204	0.6703
Class 'E' Income Shares	2,182	0.7330
Class 'F' Income Shares	6,493	0.7526
Class 'G' Income Shares	8,970	0.7631
Class 'X' Income Shares	3,834	0.7173

As at 22 April 2025, the undrawn capital vintage was €112,811,999.

On 28 January 2025, Kiinteisto Oy Alvar Aallonkatu 3 repaid the loan with Skandinaviska Enskilda Banken AB bank amounting to €40.3m.

On 4 March 2025, M&G European Property Holding Company S.a r.l. received full repayment, in the amount of €63.9m from Stonehill Serlio S.à r.l. with regards to the loan extended for the property development in Bologna following the Fund's decision to exit the deal.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

On 31 March 2025, the Fund completed the forward funded student accommodation development in Hague for €57.9m ('The Rock') by acquiring shares in The Rock B.V.

On 1 April 2025, the Fund completed the sale of Klara Strand Property AB for an agreed disposal price of €242.0m (SEK2,626m).

On 1 April 2025, the Fund completed the acquisition of Alfab Stockholm 1 AB for an agreed acquisition price of €50.7m (SEK549.7m).

34 Statement of published Net Asset Value

	As at 31 December 2024	As at 31 December 2023
Equity attributable to Shareholders of the Fund in accordance with IFRS	3,980,507	3,954,045
Adjustment to reflect fair value of purchaser costs deducted in determining the fair value of investment property	33,903	42,023
Adjustment to reflect deferred tax liability at fair value	(19,471)	(16,110)
Adjustment to reflect fair value of fixed rate debt	228	6,525
Adjustment to reflect unapproved dividends	(23,876)	(25,457)
Other reconciling differences[d]	699	91
NAV	**3,971,990**	**3,961,117**

[d] At the date the 31 December 2024 NAV was published, after the reporting period, but prior to the issuance of the annual report, there were some adjustments made for the purposes of the IFRS Consolidated Financial Statements of the Fund to bring it in line with the correct balances. These adjustments include an increase in current assets by €1,744,524 and increase in accrued expenses by €2,442,752.

At the date the 31 December 2023 NAV was published, after the reporting period, but prior to the issuance of the annual report, there were some adjustments made for the purposes of the IFRS Consolidated Financial Statements of the Fund to bring it in line with the correct balances. These adjustments include a decrease of investment properties by €2,583,149 and decrease of deferred tax payables by €2,491,917.

35 Supplementary statement of INREV compliant Net Asset Value

	As at 31 December 2024	As at 31 December 2023
Published NAV	3,971,990	3,961,117
Capitalisation and amortisation of acquisition expenses	22,584	26,875
Adjustment to reflect unpaid dividends	23,876	25,457
Adjustment for estimated sales costs[a]	(1,103)	(756)
Other reconciling differences[b]	(699)	(91)
INREV NAV	**4,016,648**	**4,012,602**

[a] In accordance with INREV guidance, an adjustment has been made to recognise non-current assets held-for-sale at its net realisable value. Therefore, an adjustment for the estimated selling costs is disclosed in the statement of INREV compliant NAV as at 31 December 2024, there was one asset classified as non-current assets held-for-sale, with estimated selling costs of €1,102,739 (31 December 2023: €755,973).

[b] Refer to Footnote 'a' in Note 34.

The Fund publishes a Redemption Price on a quarterly basis. This is estimated based on the expected method of sale and selling costs of the assets in the portfolio. The redemption margin was 1.31% of the published NAV as at 2 January 2025 (2 January 2024: 1.43%). Share redemptions during the year ended 31 December 2024 were €65,453,069 (31 December 2023: €246,101,707).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
Unless otherwise stated, amounts are expressed in thousands of EUR.

36 Supplementary statement of net distributable income (unaudited)

For the year ended 31 December	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Net profit/(loss) for the year per IFRS		**90,989**	**(330,410)**
Add back/(deduct):			
Valuation losses on property	7	24,694	511,590
Deferred tax expense/(income)	21	17,827	(47,429)
Unrealised losses/(gains) of joint ventures		1,538	(7,774)
Loss on caps	25	1,975	2,987
Exchange losses		393	693
Total		**46,427**	**460,067**
Net distributable income for the year per IFRS		137,416	129,657
Reserve variation[d]		(43,718)	(41,035)
Dividends for the year	**16**	**93,698**	**88,622**
Net distributable income since inception		1,080,332	942,916
Cumulative reserve since inception		(426,043)	(382,325)
Accumulated dividends since inception		**654,289**	**560,591**

[d] Represents mainly the distributable income on Accumulation shares and dividend timing difference between IFRS and the published NAV.

Shape the future
with confidence

Ernst & Young
Société anonyme

35E, Avenue John F. Kennedy
L-1855 Luxembourg
Tél : +352 42 124 1
www.ey.com/en_lu

B.P. 780
L-2017 Luxembourg
R.C.S. Luxembourg B47771
TVA LU 16063074

Autorisations d'établissement :
00117514/13, 00117514/14, 00117514/15, 00117514/17, 00117514/18, 00117514/19

Independent practitioner's assurance report

To the Board of Directors of
M&G European Property Fund SICAV-FIS
16 Boulevard Royal,
L-2449 Luxembourg

Scope

We have been engaged by the Board of Directors of M&G European Property Fund SICAV-FIS to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on M&G European Property Fund SICAV-FIS's SFDR Periodic Report as of 31 December 2024 (the "Subject Matter") contained in M&G European Property Fund SICAV-FIS (the "Fund") Annual Report and Consolidated Financial Statements for the year ended 31 December 2024 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by M&G European Property Fund SICAV-FIS

In preparing the SFDR Periodic Report as of 31 December 2024, M&G European Property Fund SICAV-FIS applied the Regulatory Technical Standards ("RTS") criteria of the Sustainable Finance Disclosure Régulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, specifically with Annex IV – Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Régulation (EU) 2019/2088 and Article 6, first paragraph, of Régulation (EU) 2020/852 (Criteria).

Such Criteria were specifically designed for sustainable-related disclosures in the financial services sector. As a result, the SDFR periodic report information may not be suitable for another purpose.

M&G European Property Fund SICAV-FIS's responsibilities

M&G European Property Fund SICAV-FIS's management is responsible for selecting the Criteria, and for presenting the SFDR Periodic Report as of 31 December 2024 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

A member firm of Ernst & Young Global Limited

Shape the future
with confidence

Inherent limitations

Limited assurance does not conduct an evaluation of internal control effectiveness or governance processes. Moreover, we do not offer any assurance regarding the quantitative or qualitative information obtained from the portfolio companies or third party service providers.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)'), and the terms of reference for this engagement as agreed with M&G European Property Fund SICAV-FIS. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

A member firm of Ernst & Young Global Limited

Shape the future
with confidence

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the SFDR Periodic Report as of 31 December 2024 and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with personnel to understand the business and reporting process;
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified;
- Identified and testing assumptions supporting calculations;
- Tested, on a sample basis, underlying source information to check the accuracy of the data.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to SFDR Periodic Report as of 31 December 2024, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of M&G European Property Fund SICAV-FIS for providing limited assurance over SFDR-related information disclosed in the Periodic Report of M&G European Property Fund SICAV-FIS as of 31 December 2024, as per the scope described above and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young
Société anonyme
Cabinet de révision Agréé

Robert White

Luxembourg, 23 April 2025

A member firm of Ernst & Young Global Limited

Annex 1: Sustainable Finance Disclosure Regulation (unaudited)

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product Name: M&G European Property Fund SICAV-FIS
Legal Entity Identifier: 549300FLN5QWVQGRGQ35

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

● ● ☐ Yes ● ● ☒ No

It made **sustainable investments with an environmental objective**:

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**:

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 26.5% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

As per the SFDR Level 2 Pre-Contractual Disclosure commitment, the Fund aims to invest in buildings which either have high environmental standards or the Portfolio Manager and Asset Manager (The 'Managers') seeks to improve the environmental footprint of the building. Continuous improvement in environmental and social performance of the assets is driven through the Fund's ESG targets.

The Fund will not invest in activities that are considered to be harmful to the society or the environment. It will not invest in real estate assets that have significant tenants that are listed companies assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment protection and anti-corruption, or any tenants that are listed companies involved in the controversial weapons. Those exclusions are applied at the time of investment and upon new lettings where the AIFM or its delegate has control. Significant tenants are defined as tenants whose rent constitutes 20% or more of overall rental income of the real estate asset.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics.

Review of sustainability indicators demonstrates that within the reference period the environmental and/or social characteristics promoted by this financial product have been met. Please refer to the sustainability indicator data table which is included as the answer to the question "How did the sustainability indicators perform". Based on the sustainability indicators the following attainment outcomes have been determined.

In regards to the promotion of environmental and social characteristics which relate to the investments in buildings

which either have high environmental standards or which the Managers seek to improve the environmental footprint of the buildings, this has been met and is demonstrated through:

- Indicator 1 shows that 91.6% of real estate assets (>50% of assets) at the end of the reference period had Green Building Certification or plan to achieve it within three years. This confirms that the binding elements of the investment strategy used to attain the environmental characteristics being promoted by the Fund has been met.
- Indicator 2 shows that 46.4% of real estate assets held at the end of the reference period had a Green Building Certification level of BREEAM Very Good or equivalent which reflects good to best practice in the market and therefore positively contributed to the environmental characteristics promoted by the Fund. The assessment includes assets which are under developments where BREEAM Very Good is conditional in the sale & purchase or development agreement. The proportion of assets that have achieved this level are considered to be appropriate to the investment strategy, Green Building Certification data is benchmarked annually via the GRESB Real Estate Assessment.

In regards to promotion of environmental and social characteristics through the Managers' evaluation of each potential investment against the relevant ESG criteria, as well as annual ESG targets the Fund has set for its assets that it is measured against and progress driven through asset plans, this has been met and is demonstrated through:

- Indicator 3 demonstrates 94% of the Fund's ESG targets set out in the ESG Investment Policy were on track or achieved at the end of the reference period. Targets which were achieved or on track included targets in relation to reducing portfolio carbon emissions, certifying asset performance, managing occupier satisfaction and utilising real ESG data in analysis.

Targets which were off track or at risk or on track, are subject to review to determine whether corrective action or adjustment to the target is required.

In regards to promotion of environmental and social characteristics which relates to the Managers' exclusion of harmful activities, this has been met and demonstrated through:

- Indicator 4 demonstrates that at the end of the reference period 100% of estimated rental value was compliant with the Fund's exclusion principles.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

Sustainability indicators as at end of reference period (31 December 2024). Real estate assets measured on basis of capital value.

Sustainability indicator	Measured performance
As at - 31 December 2024	
1. Percentage (%) of investments with Green Building Certification achieved or planned and underway	91.6% of real estate assets (80.2% on gross asset value basis)
2. Percentage (%) of investments with Green Building Certification BREEAM Very Good or above (or equivalent)	46.4% of real estate assets (40.6% on gross asset value basis)
3. Percentage (%) of all ESG targets (as set out in the Fund's ESG Investment Policy) achieved or on track	94% of ESG targets achieved or on track
4. Percentage (%) of Estimated Rental Value with tenants compliant with the Fund's exclusion principles	100% Estimated Rental Value was compliant with the exclusion principles

Sustainability indicator	Measured performance
As at - 31 December 2023	
1. Percentage (%) of investments with Green Building Certification achieved or planned and underway	94.8% of real estate assets (84.5% on gross asset value basis)
2. Percentage (%) of investments with Green Building Certification BREEAM Very Good or above (or equivalent)	43.8% of real estate assets (39.0% on gross asset value basis)
3. Percentage (%) of all ESG targets (as set out in the Fund's ESG Investment Policy) achieved or on track	73% of ESG targets achieved or on track

4. Percentage (%) of Estimated Rental Value with tenants compliant with the Fund's exclusion principles	100% Estimated Rental Value was compliant with the exclusion principles

- **...and compared to previous periods?**
  Please see table above.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  The objective was to invest in economic activities that are environmentally sustainable. Sustainable investments that the Fund makes is comprised of real estate assets which meet high environmental standards and thus contribute to the environmental objective. Assets that are considered to be sustainable investments must also pass the relevant Do No Significant Harm test defined by the Managers, these are detailed further in the latter section of this disclosure.

  The Managers have defined that high environmental standards are evidenced by attainment of Green Building Certification which has met a minimum rating/level. The minimum rating threshold has been set as Green Building Certification which is equivalent to a BREEAM 'Very Good' rating or above.

  Green Building Certification assessments use recognised measures of performance, which are set against established benchmarks, to evaluate a building's specification, design, construction and use. The measures used tend to represent a broad range of categories and criteria. Each category will often focus on the most influential factors, which might include reduced carbon emissions, low impact design, adaptation to climate change, ecological value and biodiversity protection for example.

  Accepted Green Building Certification schemes, and the BREEAM 'Very Good' or equivalent rating threshold, has been determined and documented by the Managers' ESG team. The assessment has drawn on the use of internal and external data sources to define the Managers' methodology. The rating threshold reflects good to best practice for environmentally sustainable real estate investment. The 'or equivalent' test enables application in regional markets where BREEAM may not be the preferred Green Building Certification scheme.

  As at 31 December 2024, 46.4% of real estate assets (40.6% of Gross Asset Value, GAV), achieved the required level. The assessment includes assets which are under developments where BREEAM Very Good is conditional in the sale & purchase or development agreement.

  A portion of these assets did not pass the Do No Significant Harm test for sustainable investment defined by the Managers due to exposure to energy-inefficiency or lack of available data to make the assessment. Therefore, the actual portion of sustainable investments at the end of the reference period was 26.5% of GAV. This is above the Fund's minimum commitment to maintain 10% sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  Before investment and over the life of the asset, Principal Adverse Impact (PAI) indicators are assessed and monitored for each sustainable investment to ascertain that it does not cause significant harm. Four PAI indicators described below applicable to real estate assets, as defined in the Annex I of EU Commission Delegated Regulation 2022/1288, are considered as part of the Managers' Do No Significant Harm test for sustainable investment.

  As at 31 December 2024, 30.3% of real estate assets (26.5% of Gross Asset Value, GAV), achieved the Do No Significant Harm test for sustainable investment defined by the Managers. Therefore, the actual % sustainable investments was 26.5% of GAV. This is above the Fund's minimum commitment of 10% sustainable investments.

  The Manager's definition of Do No Significant Harm covered the following:

  Adverse sustainability indicator 17: Exposure to fossil fuels through real estate assets
  The Managers have conducted monitoring to identify buildings that are dedicated to certain activities involving fossil fuels. Real estate assets which include petrol/refueling stations are identified to be the most relevant and likely exposure in the portfolio. Where such activities were identified, the associated proportion of capital value has been removed from the eligible pool of real estate assets which could be measured as sustainable investment.

The assessment method did not include assets where small quantities of fossil fuels might need to be stored or transported, e.g. for ensuring the functioning of the on-site energy production facilities, but where the building is dedicated to a completely different use (for example, office building).

In cases where the PAI criterion was met by part of an asset (for example, a petrol station that is part of a larger real estate asset that does not meet the PAI criterion), the proportion of the capital value associated with fossil fuel activity was excluded from the eligible pool of real estate assets which are measured as sustainable investment. Where a separate capital valuation was not available for sub-parts within an asset, the proportion of capital value was determined by using estimated rental value as a proxy.

One such case was identified in the portfolio relating to a petrol station at a retail asset. The proxy method described above was used to determine the portion of capital value associated with the petrol station. This portion of value (< 0.02% GAV) was excluded from the pool of real estate assets which could be measured as sustainable investment.

Adverse sustainability indicator 18: Exposure to energy-inefficient real estate assets
The Managers have conducted monitoring of Energy Performance Certificate (EPC) and Nearly Zero Energy Building (NZEB) information for the portfolio where data availability has supported assessment against the PAI criterion.

Where real estate assets were identified as energy-inefficient as per the PAI criterion the associated proportion of capital value has been removed from the eligible pool of real estate assets which could be measured as sustainable investment. Where no data was available to make the assessment, the assets are also assumed to be energy-inefficient per the PAI criterion and treated in the same way.

Where assets were built after 2020 but did include records to prove NZEB compliance, Energy Performance Certificates (threshold 'C' and below) were used to determine energy-inefficiency. The lack of NZEB data is a common issue in countries where building permits for construction predate the introduction of NZEB requirements. The Managers will seek to improve the availability of EPC and NZEB data, as well as develop its methodology for assessing exposure to energy-inefficient real estate in preparation for future disclosure.

For assets in development, evidence of NZEB compliance was evidenced through due diligence review of the development specification.

Climate And Other Environment-Related Indicators 18: Greenhouse gas emissions
High environmental standards with regards to greenhouse gas emissions in sustainable investments are demonstrated by attaining a Green Building Certification under a scheme of appropriate quality. The Green Building Certification schemes required for sustainable investments have been reviewed by the Managers and are known to incorporate minimum and aspirational requirements in regards to greenhouse gas emission reduction for real estate assets as core components of assessment and scoring. Therefore, where real estate assets did not achieve Green Building Certification under a valid scheme, the associated proportion of capital value would have been removed from the eligible pool of real estate assets which could be measured as sustainable investment. All assets identified as sustainable investments are deemed to have passed this test.

Climate And Other Environment-Related Indicators 19: Energy consumption intensity
High environmental standards with regards to energy consumption intensity in sustainable investments are demonstrated by attaining a Green Building Certification under a scheme of appropriate quality. The Green Building Certification schemes required for sustainable investments have been reviewed by the Managers and are known to incorporate minimum and aspirational requirements in regards to energy efficiency (including energy consumption intensity) for real estate assets as core components of the assessment and scoring process. Therefore, where real estate assets did not achieve Green Building Certification under a valid scheme, the associated proportion of capital value would have been removed from the eligible pool of real estate assets which could be measured as sustainable investment. All assets identified as sustainable investments are deemed to have passed this test.

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
  Thresholds are established for Do No Significant Harm under the Principal Adverse Indicators for fossil fuel exposure and energy-inefficient real estate (as per Annex I of EU Commission Delegated Regulation 2022/1288). PAI indicators related to greenhouse gas emissions and energy consumption intensity have been considered through the use of Green Building Certification.

All sustainable investments have been evaluated against these PAIs, assets that breach established PAI thresholds or do not hold appropriate Green Building Certification have not been recorded as sustainable investments.

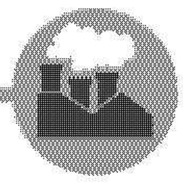
- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  All real estate assets qualified as sustainable investments have been screened for significant tenants against a list of listed companies that were assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment protection and anti-corruption. Investments were not qualified as sustainable if they were assessed to include tenants in breach of the UN Guiding Principles on Business and Human Rights or OECD Guidelines for Multinational Enterprises. No such breaches were recorded in the portfolio during the reference period and therefore no investments have needed to be excluded from sustainable investments on this basis.

  Note the SFDR Level 2 Pre-Contractual Disclosure commitments on exclusions came into effect on 1st January 2023 in alignment with the SFDR Level 2 regulatory deadline. The exclusions did not apply retrospectively to existing leases as per the Pre-Contractual Disclosure wording. At launch, the Fund applied exclusions in relation to cluster munitions and anti-personnel mines only. From 1st January 2023, the policy was expanded to cover significant tenants that are listed companies assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment protection and anti-corruption, as well as any tenants that are listed companies involved in controversial weapon activities.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?
At the product level, the Fund considered Principal Adverse Impacts (PAIs) through retrospectively assessing and monitoring the four PAIs indicators applicable to the Fund. The following has been identified through the monitoring:

Adverse sustainability indicator 17: Exposure to fossil fuels through real estate assets
Review of the portfolio has not identified any exposure to fossil fuel activities in real estate assets. The Fund does consider fossil fuel exposure as part of the due diligence process when acquiring new investment, this has been implemented to manage potential changes in the level of exposure.

Adverse sustainability indicator 18: Exposure to energy-inefficient real estate assets
The Managers have conducted monitoring of Energy Performance Certificate (EPC) and Nearly Zero Energy Building (NZEB) information for the portfolio where data allowed it to be assessed against the energy-inefficient definition (as per Annex I of EU Commission Delegated Regulation 2022/1288).

Review of the portfolio has identified that 56.0% of real estate assets may be considered to be energy-inefficient according to the definition. The pool of energy-inefficient real estate assets includes those assets where it is not yet possible to determine whether the required EPC level or NZEB level has been met, either due to lack of data (e.g. where there is no legal requirement to have an EPC) or because the local rating system does not allow comparison against the regulatory definition (e.g. no letter rating on the EPC).

The Managers will seek to improve the availability of this data, as well as to enhance its methodology for assessing exposure to energy-inefficient real estate in preparation for future disclosure. The Managers will also continue to develop improvement plans for all assets with EPC 'C' or below.

Climate And Other Environment-Related Indicators 18 & 19: Greenhouse gas emissions and energy consumption intensity

The Fund has engaged with a third-party specialist consultant to support in the quarterly monitoring and reporting of the Fund's greenhouse gas emissions and energy consumption intensity. The program includes collection of asset level greenhouse gas activity and energy usage data from the occupying tenants through direct tenant engagement and third party smart metering. Information on the portfolio's greenhouse gas emissions and energy consumption intensity is published in the front end section of the Fund's Annual Report and Consolidated Financial Statements in accordance with the INREV Sustainability Reporting Guidelines.

The Managers undertake annual review and disclosure of the Fund's environmental performance. Through the Fund's ESG strategy it is seeking to improve the environmental footprint of buildings by reducing greenhouse gas emissions and energy consumption intensity.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/01/2024 to 31/12/2024

Largest investments	Sector	% Assets	Country
Blekholmen	Office	5.79%	Sweden
Rios Rosas 26	Office	5.24%	Spain
Rio	Office	5.07%	France
BIG Shopping	Retail	3.58%	Denmark
Via Pola	Office	3.19%	Italy
Market Central Da Vinci	Retail	3.06%	Italy
Badensche Strasse 23-24	Office	2.84%	Germany
Fuerst & Friedrich	Office	2.50%	Germany
Victoria Gaerten	Residential	2.39%	Germany
GreenWalk	Office	2.32%	France
Alvar Aallon katu 3	Office	2.09%	Finland
La Marina	Residential	2.07%	Spain
Via Torino	Retail	2.05%	Italy
Oval	Office	2.01%	Germany
LuisenForum	Retail	1.78%	Germany

Note the list of 'top investments' is based on capital valuation as at 31 December 2024.

What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund has committed to a minimum of 70% of the Fund's assets to be aligned to the environmental or social characteristics promoted. This includes a minimum 10% of the assets that are qualified as sustainable investments with an environmental objective. A minimum of 0% of the Fund's assets are other investments not aligned to the environmental or social characteristics. Investment alignment to environmental characteristics was measured where either Green Building Certification was achieved or underway, or where an ESG due diligence review had been completed within the 12 month period to 31 December 2024. ESG due diligence reviews are completed during the acquisition of new assets.

Asset allocations below are expressed as a percentage of Gross Asset Value (GAV). The Actual proportion of investments that were aligned to the environmental or social characteristics promoted was 82.0% of GAV as at 31 December 2024, this is above the 70% minimum commitment.

This was composed of 26.5% of GAV relating to sustainable investments which was above the 10% minimum threshold, and the remaining 55.4% of GAV related to investments with other environmental and/or social characteristics. None of the sustainable investments were expected to be aligned to EU Taxonomy because the Fund does not currently take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy regulation. Therefore, they are reported as other environmentally sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The graphical representation provides an overview of the asset allocation. Note figures may not sum due to rounding.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

The investment breakdown is expressed as a % of Gross Asset Value (GAV) as at 31 December 2024. Data used for the purpose of SFDR monitoring and reporting is based on the Pricing NAV. This is because Pricing NAV data is readily available throughout the year for use in monitoring of the Fund's position against binding commitments, Principal Adverse Impacts, and Key Sustainability Indicators. IFRS reconciled accounts published in the Financial Statements are not used for the purpose of SFDR monitoring and reporting as it is produced less frequently. The Financial Statements provide a note that reconciles the Pricing NAV to the IFRS NAV.

A notable deviation is that the asset held for sale, Blekholmen, is reported below as a Direct Real Estate Asset under the Office sub-sector.

Economic sector	% Assets
Direct Real Estate Assets	**84.38%**
Retail	19.08%
Logistics	18.49%
Office	35.44%
Residential	11.37%
Cash	**8.56%**
Cost/Other Investments	**2.94%**
Current Assets	**1.72%**
Forward Funding Loans	**2.40%**

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund did not take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation. The Fund did not target investment in taxonomy-aligned assets as part of its investment policy and therefore recorded that 0% of the Fund's investments were aligned with the environmental objectives under the Taxonomy Regulation during the reference period.

The Fund intends to develop its approach to the EU Taxonomy Regulation, any amendments to strategy will be disclosed by way of update to the SFDR Level 2 Pre-Contractual Disclosure.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

Yes:

In fossil gas In nuclear energy

x No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

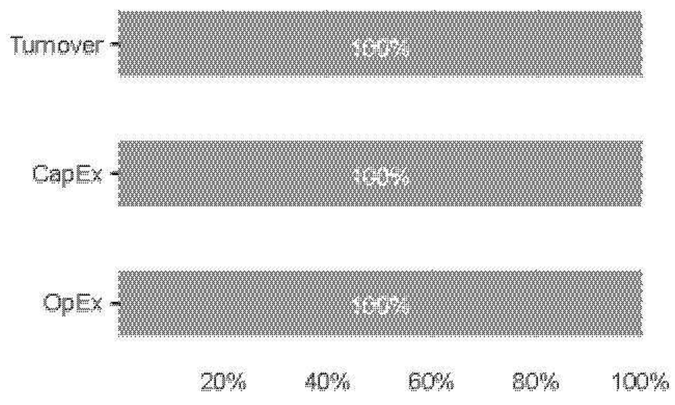
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

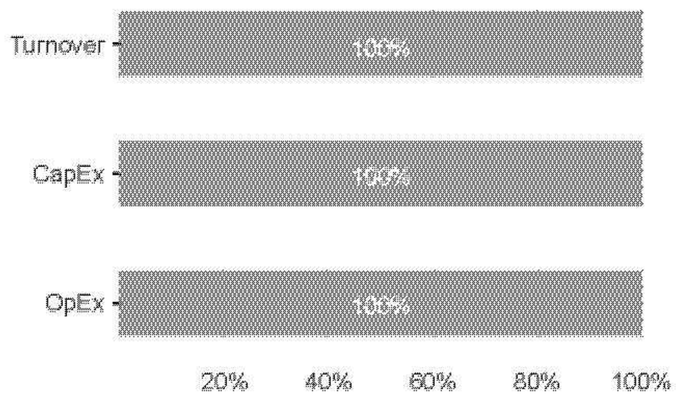
The graphs below show the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



Taxonomy aligned: Fossil gas
Taxonomy aligned: Nuclear
Taxonomy aligned: (No Fossil gas & Nuclear)
Non Taxonomy aligned

2. Taxonomy-alignment of investments **excluding sovereign bonds***



Taxonomy aligned: Fossil gas
Taxonomy aligned: Nuclear
Taxonomy aligned: (No Fossil gas & Nuclear)
Non Taxonomy aligned
This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
The above graph and below table describes the Taxonomy alignment of all investments the Fund has made.

What was the share of investments made in transitional and enabling activities?
The Fund did not set a minimum share of investments in transitional and enabling activities and therefore has not recorded any such activities in the reference period. Therefore 0% of the Fund's investments were in transitional and enabling activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?
During the previous reference period, the Fund did not target investment in taxonomy-aligned assets as part of its investment policy and therefore recorded that 0% of the Fund's investments were aligned with the environmental objectives under the Taxonomy Regulation during the reference period. Therefore no change has been measured between the two reference periods.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?
26.5% of Gross Asset Value (GAV) as at 31 December 2024. This is above the minimum commitment of 10% of sustainable investments with an environmental objective not aligned with the EU Taxonomy. None of those assets were expected to be aligned to EU Taxonomy because the Fund does not currently take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy.

What was the share of socially sustainable investments?
The Fund did not make sustainable investments with a social objective.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Investments included in "#2 Other" consisted of cash and cash equivalents, investments held for hedging purposes, investments for diversification purposes, and real estate assets which did not align to the promoted environmental and/or social characteristics including those for which there is insufficient data.

For non-aligned investments including those for which there was insufficient data and investments for diversification purposes, minimum safeguards include exclusion of any real estate assets that have significant tenants that are listed companies assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment protection and anti-corruption.

For the other ancillary assets, including cash, cash equivalents and hedging instruments, no minimum environmental or social safeguards have been put in place.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund applied its ESG Investment Policy to support the delivery of environmental and/or social characteristics during the reference period. Further detail on progress against targets is reported under Key Sustainability Indicator 3 and the ESG section of the Annual Report and Consolidated Financial Statements for the year ended 31 December 2024.

How did this financial product perform compared to the reference benchmark?

No reference benchmark was designated to determine whether this fund is aligned with the environmental and social characteristics that it promotes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
  No reference benchmark was designated to determine whether this fund is aligned with the environmental and social characteristics that it promotes.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  No reference benchmark was designated to determine whether this fund is aligned with the environmental and social characteristics that it promotes.

- **How did this financial product perform compared with the reference benchmark?**
  No reference benchmark was designated to determine whether this fund is aligned with the environmental and social characteristics that it promotes.

- **How did this financial product perform compared with the broad market index?**
  No reference benchmark was designated to determine whether this fund is aligned with the environmental and social characteristics that it promotes.

Annex 2: INREV ESG vehicle-level KPIs

Below is a list of INREV ESG vehicle-level KPIs. This includes both mandatory and a selection of best practice indicators identified in 'ESG02' of the INREV Sustainability Module Guidelines (January 2023) for years ending December 2023 and 2024. The carbon emissions reported here are compiled based on the best available data at time of publication. GHG presented in the climate-related risk section of this report is aligned to the GHG Protocol requirements which include all material emissions sources, including those from purchased goods, services and embodied carbon emissions from developments (Scope 3). The Fund aims to align the metric below to the INREV Sustainability Module Guidelines. The INREV guidelines prescribes Scope 3 emission accounting as only those relating to tenant energy usage only (operational carbon). These differing requirements lead to a variance between figures published under the GHG-protocol and those reported within the INREV table below.

Factor	Indicator ID	Mandatory indicator	Indicator	Unit of measure	2023	2024	Variance	Comments
Energy consumption	ESG3.1	✓	Actual energy consumption – landlord's control	kWh/yr	39,304,215	32,498,066	-17.3%	Complete 2024 data is not yet available at the time of this report.
	ESG3.1.1	✓	Actual energy consumption – tenant's control	kWh/yr	110,451,549	47,248,485	-57.2%	The majority of tenant data for 2024 is not yet available at the time of this report.
	ESG3.1.2	✓	Actual energy data coverage	% of area	88.5%	67.9%	-20.6%	Complete 2024 data is not yet available at the time of this report.
	ESG3.1.3	✓	Estimated energy consumption – landlord's control	kWh/yr	2,762,244	11,080,813	301.2%	Q4 2024 100% estimated – landlord data is not yet available at the time of this report.
	ESG3.1.3.1	✓	Estimated energy consumption – tenant's control	kWh/yr	28,219,178	93,670,359	220.6%	Complete 2024 data is not yet available at the time of this report.
	ESG3.1.4	✓	Total energy consumption	kWh/yr	181,737,185	184,497,722	1.5%	Immaterial variance.
	ESG3.1.5	✓	Total energy consumption data coverage	% of area	100.0%	100.0%	0.0%	
	ESG3.1.6	✓	Energy intensity	kWh/area/yr	109	109	0.2%	Immaterial variance.
	ESG3.1.7	✓	Energy intensity, for office asset/ property type	kWh/area/yr	122	134	9.9%	The variance is within the expected range.
	ESG3.1.7.1	✓	Energy intensity, for retail asset/ property type	kWh/area/yr	171	173	1.1%	Immaterial variance.
	ESG3.1.7.2	✓	Energy intensity, for residential asset/property type	kWh/area/yr	97	115	19.0%	Change in portfolio composition.
	ESG3.1.7.3	✓	Energy intensity, for industrial/ logistic asset/property type	kWh/area/yr	73	68	-5.9%	The variance is within the expected range.
	ESG3.1.7.4	✓	Energy intensity, for parking asset/property type	kWh/area/yr	0	0	0%	No assets currently held in this sector.

Annex 2: INREV ESG vehicle-level KPIs

Factor	Indicator ID	Mandatory Indicator	Units of measure	2023	2024	Variance	Comments
Energy consumption (continued)	ESG3.1.7.5	✓	Energy intensity, for student housing asset/property type	kWh/area/yr	–	133	–	The data cannot be compared year on year as no assets were held in this sector during 2023.
	ESG3.1.7.6	✓	Energy intensity, for hotel asset/property type	kWh/area/yr	138	156	13.0%	Change in operational usage.
	ESG3.1.7.7	✓	Energy intensity, for leisure asset/property type	kWh/area/yr	0	0	0.0%	No assets currently held in this sector.
	ESG3.1.7.8	✓	Energy intensity, for health care asset/property type	kWh/area/yr	0	0	0.0%	No assets currently held in this sector.
	ESG3.1.7.9	✓	Energy intensity, for aged care asset/property type	kWh/area/yr	3	67	0.0%	Change in portfolio composition.
	ESG3.1.7.10	✓	Energy intensity, for education asset/property type	kWh/area/yr	0	0	0.0%	No assets currently held in this sector.
	ESG3.1.7.11	✓	Energy intensity, for agricultural asset/property type	kWh/area/yr	0	0	0.0%	No assets currently held in this sector.
	ESG3.1.7.12	✓	Energy intensity, for other asset/property type	kWh/area/yr	480	481	0.3%	Immaterial variance.
Renewable energy	ESG3.2	✓	Renewable energy generated and consumed on-site by landlord	kWh/yr	0	0	0.0%	Data collection ongoing.
	ESG3.2.1	✓	Renewable energy generated on-site and exported by landlord	kWh/yr	0	0	0.0%	Data collection ongoing.
	ESG3.2.2	✓	Renewable energy generated and consumed on-site by third party or tenant	kWh/yr	221,122	0	-100.0%	Data collection ongoing.
	ESG3.2.3	✓	Renewable energy generated off-site and purchased by landlord	kWh/yr	9,622,245	9,556,499	-0.7%	Immaterial variance.
	ESG3.2.4	✓	Renewable energy generated off-site and purchased by tenant	kWh/yr	5,363,973	9,326,893	73.2%	There has been an increase in the number of assets reporting off-site renewable tenant procured electricity in 2024 compared to 2023.
	ESG3.2.5	✓	Renewable energy data coverage	% of area	8.1%	5.5%	-2.6%	Immaterial variance.

Annex 2: INREV ESG vehicle-level KPIs

Factor	Indicator ID	Mandatory Indicator	Units of measure	2023	2024	Variance	Comments
GHG emissions	ESG3.3	✓	Actual scope 1 emissions	tonne CO_2e/yr	385	140	-63.8%	Data collection ongoing.
	ESG3.3.1	✓	Actual scope 1 emissions data coverage	% of area	83.9%	69.2%	-14.8%	Data collection ongoing.
	ESG3.3.2	✓	Actual scope 2 emissions - location based	tonne CO_2e/yr	7,465	6,212	-16.8%	Data collection ongoing.
	ESG3.3.2.1	✓	Actual scope 2 emissions - market based	tonne CO_2e/yr	-	-	n/a	Market-based emissions are not currently available for this portfolio.
	ESG3.3.3	✓	Actual scope 2 emissions data coverage	% of area	92.8%	80.7%	-12.1%	Data collection ongoing.
	ESG3.3.4	✓	Actual scope 3 emissions (tenant energy use only)	tonne CO_2e/yr	20,797	10,965	-47.3%	Data collection ongoing.
	ESG3.3.5	✓	Actual scope 3 emissions data coverage	% of area	80.7%	56.5%	-24.2%	Data collection ongoing.
	ESG3.3.6	✓	Estimated scope 1 emissions	tonne CO_2e/yr	284	751	164.8%	Data collection ongoing.
	ESG3.3.7	✓	Estimated scope 2 emissions - location based	tonne CO_2e/yr	150	1,615	973.9%	Data collection ongoing.
	ESG3.3.7.1	✓	Estimated scope 2 emissions - market based	tonne CO_2e/yr	-	-	n/a	Market-based emissions are not currently available for this portfolio.
	ESG3.3.8	✓	Estimated scope 3 emissions (tenant energy use only)	tonne CO_2e/yr	6,626	17,459	163.5%	Data collection ongoing.
	ESG3.3.9	✓	Total operational carbon – location based	tonne CO_2e/yr	35,707	37,141	4.0%	The variance is within the expected range.
	ESG3.3.10	✓	Total operational carbon – market based	tonne CO_2e/yr	-	-	n/a	Market-based emissions are not currently available for this portfolio.
	ESG3.3.11	✓	Operational carbon data coverage	% of area	100.0%	100.0%	0.0%	Immaterial variance.
	ESG3.3.12	✓	Operational carbon intensity – location based	tonne CO_2e/area/yr	0.021	0.022	2.1%	Immaterial variance.

Annex 2: INREV ESG vehicle-level KPIs

Factor	Indicator ID	Mandatory Indicator	Units of measure	2023	2024	Variance	Comments
GHG emissions (continued)	ESG3.3.12.1	✓	Operational carbon intensity – market based	tonne CO_2e/ area/yr	-	-	n/a	Market-based emissions are not currently available for this portfolio.
	ESG3.3.13	✓	Operational carbon intensity – location based, for office asset/ property type	tonne CO2e/ area/yr	0.022	0.025	9.2%	The variance is within the expected range of the portfolio, while the variance appears high, the actual change in energy consumption and the associated emissions for this sector are immaterial.
	ESG3.3.13.1	✓	Operational carbon intensity – location based, for retail asset/ property type	tonne CO_2e/ area/yr	0.029	0.031	9.1%	The variance is within the expected range of the portfolio, while the variance appears high, the actual change in energy consumption and the associated emissions for this sector are immaterial.
	ESG3.3.13.2	✓	Operational carbon intensity – location based, for residential asset/property type	tonne CO_2e/ area/yr	0.019	0.022	14.7%	The variance is due to the asset Les Boreals Clichy which completed in January 2024, causing an increase in energy consumption and associated emissions within this sector compared to 2023.
	ESG3.3.13.3	✓	Operational carbon intensity – location based, for industrial/ logistic asset/property type	tonne CO_2e/ area/yr	0.017	0.016	-6.0%	The variance is within the expected range of the portfolio and sector.
	ESG3.3.13.4	✓	Operational carbon intensity – location based, for parking asset/ property type	tonne CO_2e/ area/yr	0	0	0	No assets currently held in this sector.
	ESG3.3.13.5	✓	Operational carbon intensity – location based, for student housing asset/property type	tonne CO_2e/ area/yr	0	0.017	-	Change in portfolio composition.
	ESG3.3.13.6	✓	Operational carbon intensity – location based, for hotel asset/ property type	tonne CO_2e/ area/yr	0.022	0.025	15.2%	Change in operational usage.
	ESG3.3.13.7	✓	Operational carbon intensity – location based, for leisure asset/ property type	tonne CO_2e/ area/yr	0	0	0	No assets currently held in this sector.
	ESG3.3.13.8	✓	Operational carbon intensity – location based, for health care asset/property type	tonne CO_2e/ area/yr	0	0	0	No assets currently held in this sector.
	ESG3.3.13.9	✓	Operational carbon intensity – location based, for aged care asset/property type	tonne CO_2e/ area/yr	0	0.008	-	Change in portfolio composition.

Annex 2: INREV ESG vehicle-level KPIs

Factor	Indicator ID	Mandatory Indicator	Units of measure	2023	2024	Variance	Comments
GHG emissions (continued)	ESG3.3.13.10	✓	Operational carbon intensity – location based, for education asset/property type	tonne CO_2e/area/yr	0	0	0	No assets currently held in this sector.
	ESG3.3.13.11	✓	Operational carbon intensity – location based, for agricultural asset/property type	tonne CO_2e/area/yr	0	0	0	No assets currently held in this sector.
	ESG3.3.13.12	✓	Operational carbon intensity – location based, for other asset/property type	tonne CO_2e/area/yr	0.082	0.082	0.3%	Immaterial variance.
Climate change – transition risks	ESG3.4	✓	Exposure to fossil fuels through real estate assets	% of AUM	n/a	n/a	n/a	Data in relation to SFDR PAIs is available on request and can be provided in the FinDatEx EET format.
	ESG3.4.1	✓	Exposure to fossil fuels data coverage	% of area	n/a	n/a	n/a	Data in relation to SFDR PAIs is available on request and can be provided in the FinDatEx EET format.
Climate change – physical risks and opportunities	ESG3.4.2	✓	Proportion of assets that are at low risk, in any category, from climate-related physical hazards	% of AUM	n/a	n/a	n/a	Refer to front of Annual Report: Net zero and climate change resilience section.
	ESG3.4.2.1	✓	Proportion of assets that are at medium risk, in any category, from climate-related physical hazards	% of AUM	n/a	n/a	n/a	Refer to front of Annual Report: Net zero and climate change resilience section.
	ESG3.4.2.2	✓	Proportion of assets that are at high risk, in any category, from climate-related physical hazards	% of AUM	n/a	n/a	n/a	Refer to front of Annual Report: Net zero and climate change resilience section.
Water consumption	ESG3.5	✓	Actual water consumption – landlord controlled	m^3/yr	281,232	134,514	-52.2%	Data collection ongoing.
	ESG4.5	✗	Actual water consumption – tenant controlled	m^3/yr	148,263	57,408	-61.3%	Data collection ongoing.
	ESG4.5.4	✗	Water consumption data coverage, by area	% of area	79.0%	49.6%	-29.4%	Data collection ongoing.

Annex 2: INREV ESG vehicle-level KPIs

Factor	Indicator ID	Mandatory Indicator	Units of measure	2023	2024	Variance	Comments
Waste management	ESG3.6	✓	Actual waste generated – landlord controlled	tonne/yr	1,627	2,090	28.5%	Some assets reported increased waste volumes in 2024.
	ESG4.6	✗	Actual waste generated – tenant controlled	tonne/yr	6,362	2,484	-60.9%	Data collection ongoing.
	ESG4.6.5.1	✗	Proportion of disposal route; landfill	%	16.4%	38.1%	21.7%	Of the data collected for 2024 so far, a higher proportion of waste has been reported as landfill compared to 2023. Once the annual data collection cycle is completed, the actual proportion of waste sent to landfill is likely to change.
	ESG4.6.5.2	✗	Proportion of disposal route; incineration	%	15.0%	6.1%	-8.9%	Of the data collected for 2024 so far, a lower proportion of waste has been reported as incinerated, compared to 2023. Once the annual data collection cycle is completed, the actual proportion of waste sent to incineration is likely to change.
	ESG4.6.5.3	✗	Proportion of disposal route; reuse	%	0.0%	0.0%	0.0%	No assets reported waste reuse at the time of this report.
	ESG4.6.5.4	✗	Proportion of disposal route; biodiesel production	%	0.0%	0.0%	0.0%	No assets reported biodiesel production waste at the time of this report.
	ESG4.6.5.5	✗	Proportion of disposal route; recycling	%	66.2%	54.5%	-11.7%	Of the data collected for 2024 so far, a lower proportion of waste has been reported as recycled, compared to 2023. Once the annual data collection cycle is completed, the actual proportion of waste recycled is likely to change.
	ESG4.6.5.6	✗	Proportion of disposal route; other (please specify in comments)	%	2.4%	1.3%	-1.1%	Immaterial variance.
	ESG4.6.6	✗	Waste data coverage, by area	% of area	49.9%	26.9%	-23.0%	Data collection ongoing.
Building certificates	ESG3.7	✓	Percentage of assets with a certificate	% of area	55.0%	66%	20%	Calculated by asset value. Refer to front of Annual Report ESG section: Environmental excellence.
	ESG4.8.1	✗	Percentage of the first most used certificate	% of area/ % of AUM	n/a	n/a	n/a	Refer to front of Annual Report ESG section: Environmental excellence.
	ESG4.8.1.1	✗	Percentage of the second most used certificate	% of area/ % of AUM	n/a	n/a	n/a	Refer to front of Annual Report ESG section: Environmental excellence.
	ESG4.8.1.2	✗	Percentage of the third most used certificate	% of area/ % of AUM	n/a	n/a	n/a	Refer to front of Annual Report ESG section: Environmental excellence.

Annex 2: INREV ESG vehicle-level KPIs

Factor	Indicator ID	Mandatory Indicator	Units of measure	2023	2024	Variance	Comments
Energy ratings	ESG3.8	✓	Percentage of assets with an energy rating	% of area	--	75%	--	Not all assets, or areas within assets, are required to have an EPC rating according to local regulation. Previous year not available due to change in measurement approach.
	ESG3.8.1	✓	Exposure to energy-inefficient real estate assets	% of AUM	n/a	n/a	n/a	Data in relation to SFDR PAIs is available on request and can be provided in the FinDatEx EET format.
	ESG3.8.2	✓	Exposure to energy-inefficient real estate assets data coverage	% of area	n/a	n/a	n/a	Data in relation to SFDR PAIs is available on request and can be provided in the FinDatEx EET format.
	ESG4.9	✗	List of individual energy ratings		n/a	n/a	n/a	EPC ratings are recorded at unit level. Unit level data is available on request.
	ESG4.9.1	✗	Percentage of the first most used energy ratings	% of area/ % of AUM	n/a	n/a	n/a	EPC ratings are recorded at unit level. Unit level data is available on request.
	ESG4.9.1.1	✗	Percentage of the second most used energy ratings	% of area/ % of AUM	n/a	n/a	n/a	EPC ratings are recorded at unit level. Unit level data is available on request.
	ESG4.9.1.2	✗	Percentage of the third most used energy ratings	% of area/ % of AUM	n/a	n/a	n/a	EPC ratings are recorded at unit level. Unit level data is available on request.

Important information

For Professional Investors only This document is confidential and designed to provide factual information for the sole and exclusive use of persons to whom it is addressed and may not be passed on to any other person as this would breach confidentiality. The distribution of this document does not constitute an offer or solicitation. Past performance is not a guide to future performance. The value of investments can fall as well as rise. Information given in this document has been obtained from, or based upon, sources believed by us to be reliable and accurate although M&G does not accept liability for the accuracy of the contents. M&G does not offer investment advice or make recommendations regarding investments. Opinions are subject to change without notice. Data may be held on servers outside the European Economic Area. Map data: Google.

Contact



Nioki Doggett
Director: Investor Relations
+44 (0)20 8162 1243
nioki.doggett@mandg.com

Please note that information contained within an email cannot be guaranteed as secure. We advise that you do not include any sensitive information when corresponding with M&G in this way. Telephone calls may be recorded.

For more information on this fund, please visit our website:

mandg.com/realestate

or contact one of the team listed above.

Please note that this website has not been reviewed by the SFC and will contain information about funds that are not registered with the SFC.

For Professional Investors only. Issued by M&G Luxembourg S.A. in the EEA, registered office 16 boulevard Royal, L-2449 Luxembourg. **DEC 24 63054**